

**SUBCOMMITTEE HEARING ON
OVERSIGHT OF THE ENTREPRENEURIAL
DEVELOPMENT PROGRAMS IMPLEMENTED
BY THE SMALL BUSINESS ADMINISTRATION
AND NATIONAL VETERANS BUSINESS
DEVELOPMENT CORPORATION**

**SUBCOMMITTEE ON RURAL AND URBAN
ENTREPRENEURSHIP
COMMITTEE ON SMALL BUSINESS
UNITED STATES HOUSE OF
REPRESENTATIVES**

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Wednesday, March 12, 2008

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 10:00 a.m., in Room 1539 Longworth House Office Building, Hon. Heath Shuler [chairman of the Subcommittee] presiding.

Present: Representatives Shuler, Clarke, and Fortenberry.

Also Present: Representative Velázquez.

OPENING STATEMENT OF CHAIRMAN SHULER

Chairman SHULER. I call this hearing to order.

I'd like to, first of all, thank everybody for coming to our new place, our new home here. Ranking Member Fortenberry was saying that the folks here that have the column in the way, your tickets will be discounted and you will pick up that discount at the door as you leave.

Today the committee will examine Small Business Administration/Veterans Corporation efforts to provide entrepreneurial development assistance. In times of economic instability, new business opportunities are critical sources of growth for our nation's productivity, employment, and innovation.

However, with tightened credit conditions and the rising health care and energy prices, small businesses face an increasingly tough economic environment. For them to remain competitive, they need access to up to date information, business training and marketing advice.

This hearing will evaluate SBA's and Veterans Corporation's initiatives and determine what needs to be done to make sure that they meet the needs of today's entrepreneurs. This program develops services across a wide range of economic sectors, providing significant returns on investment.

A particularly remarkable example is the Women's Business Center Program, which has demonstrated a 15-to-one return on federal expenditures. This is occurring during a time when diminishing resources, capital, and poor agency management practices

are holding these initiatives back. If we could overcome such problems, think of what that could mean for America's entrepreneurs.

For many SBA programs providing the framework for success, demand for these services has risen while capacity has not kept pace. In fact, consulting hours are declining. It is important to find ways to reverse these trends and to provide tomorrow's business owners with the support that they need.

The Committee will also look more broadly at what the SBA is doing to improve these initiatives. One of these proposals is the emerging 200 program which focuses on inner city businesses. An important point to examine is how the program's cost compares to existing SBA initiatives. We need to make sure that the taxpayers are getting the best bang for their buck and that these monies couldn't be better spent elsewhere.

One of the most important up and coming entrepreneur sectors is veterans. For the 600,000 troops returning from Iraq and Afghanistan, business ownership is a viable option. To make this a reality, they need the tools to start up and grow. Unfortunately, one-third of the veterans have no knowledge of these programs targeting them to promote entrepreneurship.

We have to find ways to increase outreach efforts to more returning service men and women so that they, too, can become entrepreneurs. The Entrepreneurship Program can provide new opportunities and vital training. With the economy facing substantial challenges, these initiatives should be a top priority for lawmakers, practitioners, and small business owners.

This Committee has spent a great deal of its time to improve these programs and recently two bills became law. For 400,000 Americans who each month take the brave step in starting a new business, we must be certain that they can succeed. Our nation and our local communities will successfully benefit from the growth and business creation.

I want to thank the witnesses for the testimony today, and I now will recognize the Ranking Member, Mr. Fortenberry, for his opening statements.

OPENING STATEMENT OF MR. FORTENBERRY

Mr. FORTENBERRY. Thank you, Chairman Shuler, for holding this hearing on our entrepreneurial development programs and outreach as well, and welcome to our guests. I hope you are all friends, given the tight quarters here, or you will soon be, I guess.

We are here, as the Chairman mentioned, to offer oversight of the SBA's Entrepreneurial Development Programs, and I am hopeful that this hearing demonstrates to entrepreneurs that Congress is very attentive to their needs as the nation's primary job creators.

Today's hearing affords us a unique opportunity to examine some success stories, as well as potential areas of improvement of the federal government's efforts to assist entrepreneurs. The vast majority of potential entrepreneurs, as well as the 28 million small business owners in the country, do not have the financial resources to hire management consultants or business advisors. Nevertheless, these people face numerous operational issues, such as finding financing, developing marketing plans, handling production and complying with the myriad of local, state, and federal regulations.

Many of the programs we oversee in the Small Business Committee are designed to assist already established businesses. So I am pleased and excited to be a part of playing a role to assist small business entrepreneurs and start-ups.

The spirit of entrepreneurship does need nurturing in our country, and to that end, Congress has authorized a wide variety of programs to assist small business owners and budding entrepreneurs. The SBA's Entrepreneur Development Programs operate in tandem with a number of other business outreach programs operated by other federal agencies, as we all know, such as the Department of Commerce and the Department of Agriculture. Some are designed to provide advice to small business, such as the Department of Commerce's Trade Assistance Program. Others offer assistance to specific groups, such as the Center for Veterans Enterprise at the Department of Veteran Affairs, as the Chairman alluded to.

As with any government program, oversight is very critical for these programs. Mr. Shuler's briefing memorandum for this hearing did a superb job of highlighting some of the specific issues to be addressed in each of these programs under review today. These programs must be closely coordinated to insure a maximum level of flexibility for our nation's entrepreneurs so that these small business owners do not encounter a patchwork that is confusing when they approach the government for assistance.

The need for better coordination and efficiency led Chairman Shuler and I last year to direct the Government Accountability Office to examine how the SBA's programs can be better coordinated with those at the Department of Agriculture. The results of that review should help the SBA do a better job of coordinating its disparate outreach efforts so that entrepreneurs in rural America will have access to the best resources and expertise when they interact with the government.

Again, thank you all, to our witnesses, for taking your time out today and providing valuable insights.

Mr. Chairman.

Chairman SHULER. Thank you, Mr. Fortenberry, for your testimony.

I ask unanimous consent that the record be open for five days for members to submit their statements.

Hearing no objection, so ordered.

Our first witness today is Anoop Prakash, Associate Administrator for Entrepreneurial Development for the U.S. Small Business Administration. In his capacity, he manages the SBA's Technical Assistance Program, providing training and business consulting to small business clients.

Mr. Prakash, thank you so much. You have five minutes for your testimony.

STATEMENT OF ANOOP PRAKASH, ASSOCIATE ADMINISTRATOR, OFFICE OF ENTREPRENEURIAL DEVELOPMENT, SMALL BUSINESS ADMINISTRATION

Mr. PRAKASH. Chairman Shuler, thank you for having me. Distinguished members of the Committee, we appreciate the invitation to share with you the important work for the Office of Entrepreneurial Development.

I am Anoop Prakash, the Associate Administrator for the Office of Entrepreneurial Development.

Our mission is to help entrepreneurs start, grow, and succeed by providing a nationwide network of resources both for training and counseling through a physical network of resource partners, as well as through our online training resources.

In fiscal year 2007, our portfolio programs counseled and trained over 1.4 million entrepreneurs, and we serve our clients primarily through our three resource partners, the Small Business Development Centers, the Women's Business Centers, and the SCORE Network, who are all well represented with me here today on the panel.

We also serve them through our Small Business Training Network, which is our online training platform.

Today I would like to focus on the strategic direction our office has been taking over the past year and will continue to pursue through fiscal year 2008. We have been focused on three core areas to improve our program management and further impact economic development across the country.

Our first area of focus is to accelerate delivery of SBA products and services into under-served markets. Agency activities in this area fall into three broad categories. First and foremost is improvement of entrepreneurial literacy and technical assistance in the inner cities.

Our first pilot has been a collaboration between the New York SBA district office, the New York Small Business Development Center, and New York SCORE Chapters to deliver training and counseling to Operation Hope's center in Harlem, New York. At last report, we were on pace to double the number of entrepreneurs counseled and trained in that community and hope to see more collaborations in 2008.

Our second area of focus for the underserved is to improve access to capital in underserved communities through improved lending processes and loan products. You have heard from my colleagues in the past about rural under advantage, and that is just one example of the programs we are putting into place.

And lastly, we have created an inner city training program called the SBA Emerging 200. This program will provide intensive growth oriented training to in-business emerging inner city companies. The goal is sustained job creation by focusing on companies with the highest potential for growth in the most economically distressed communities.

We currently have limited coverage in the inner city with our current partners and resources, and it is important that we work with the companies that are emerging in those areas.

It is important to note that the Emerging 200 initiative is not duplicative of current ED programs because of the current coverage. Current programs serve entrepreneurs at every stage of business development. They also cover very large geographic areas state-wide, and they reach out broadly to minority women and veteran entrepreneurs. The Emerging 200 initiative is targeted, 200 inner city companies with established revenue in business that have high potential to grow and create jobs in the communities that have lost the most jobs.

Our second major area of improvement in ED is the quality of customer service for our grantees. We have completed two major projects in this area. First, we have reengineered the Small Business Development Center financial exam process, and we have also streamlined the Women's Business Center operations and the program announcement. In both cases we have received extremely positive feedback from the center directors and our clients and are committed to continuously improving in these areas.

The goal across all these continuous improvement activities is to make sure our compliance and risk management responsibilities are met, that we are taking a practical and proportionate approach in terms of so that we allow our grant recipients to spend more time doing what they do best, which is to serve entrepreneurs.

Our third area of focus is to increase investment in our online assessment and training tools. As you might imagine, the increase in demand for online training and assessment tools has spiked dramatically. We are currently seeing about one-fourth of all clients coming through to SBA and through to our training and counseling programs coming online, and we would probably expect to see about one-third by the end of 2008. By the end of 2008, we will probably see fully a third of our training and counseling numbers coming through our training network or those of our partners that are on line.

The courses are available to anyone free of charge, and on average we are seeing 1,200 entrepreneurs a day coming to our site and the training, and we are continuing to invest there.

One additional area I would like to touch upon is our focused outreach to veterans. As a former marine and veteran, I am passionate about serving both past and present members of our Armed Forces and their families. ED Resource Partners do a tremendous job of reaching veterans through their counseling and training programs. One contributing factor to our resource partners' success is that several of our Veterans Business Outreach Centers are collocated with some of the larger state veteran populations and with our SPDC programs. Those are in Texas, New York, and Florida.

Last year ED and resource partners served over 64,000 veterans, and 7,383 were service disabled.

Chairman Shuler, it is a sincere privilege for me to be here and tell you about my important work and to work alongside such great professionals that I have here next to me who are working on behalf of America's entrepreneurs.

Thank you, and I will be happy to answer any questions.

[The prepared statement of Mr. Prakash may be found in the Appendix on page 42.]

Chairman SHULER. Ladies and gentlemen, we will be back. We have a procedural vote, I think, on the House floor. So we will just recess for now, and we will be back in about 20 minutes. So we apologize for that, but we have to do our duties as well.

[Recess.]

Chairman SHULER. Thank you for your patience. Hopefully we will not have too many more interruptions before this ends.

Our next witness is Walter Blackwell, the President and CEO of National Veterans Business Development Corporation. The Vet-

erans Corporation was established in 1999 to provide entrepreneurial development services for our nation's veterans.

Mr. Blackwell, you will be recognized for five minutes.

STATEMENT OF WALTER BLACKWELL, PRESIDENT/CEO, NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION

Mr. BLACKWELL. Mr. Chairman and Ranking Members and members of the Subcommittee, I want to thank you for the opportunity to discuss Veterans Corporation, TVC more specifically, our outreach efforts and business development service delivery to veteran entrepreneurs across the country.

The mission of TVC is to create more prosperous communities and a stronger national economy by fostering business opportunities for veterans, service disabled veterans. Our special status as a federally supported yet independent 501(c)(3) organization creates a public-private partnership that maximizes the effectiveness and efficient use of public funds on behalf of veteran entrepreneurs.

TVC continues to fulfill its mission in spite of increasingly limited funding from Congress, and the strict privacy laws that deny us access to contact information about current and former members of our Armed Forces, precisely the individuals who are TVC's target market for membership. TVC helps our veteran entrepreneurs maintain their competitive edge by providing direct program services to veterans, including business education and training, one-on-one counseling, participation in transition assistance program seminars at Walter Reed Army Medical Center, and around the clock worldwide access to a comprehensive suite of online business tools and resources.

TVC acts as an entrepreneurial catalyst and facilitator for veterans, service disabled veterans, and members of the Armed Forces by creating a network of resources leveraging partners and building nationwide community based veteran entrepreneurial support, particularly in areas with the largest number of veterans.

In implementing TVC's mission, our goal is always to reach the most veterans possible. To that end we must leverage every dollar we receive to a worldwide program that reaches out to veteran entrepreneurs in every state, on then front lines, and in all stages of business creation and growth.

Under the auspices of our mandate to establish and maintain a network of centers nationwide, we operate a strong national hub headquartered in Washington, D.C. that provides direct business counseling and is responsible for implementing programs that can provide veterans across the country with the most critical business tools, resources and knowledge.

TVC's competitive grants process allows TVC to identify, cultivate and support veteran entrepreneurial programs at business resource centers nationwide in order to bring one-on-one information and resources to more local veteran communities. TVC has listened to its constituency and established significant, effective programs that are successfully helping veterans start and grow businesses. Responding to veteran entrepreneurs' pleas for access to

capital, TVC created a program that is without a doubt the most successful program in the veteran owned business community.

In Fiscal Year 2007 alone, almost 46,000 veterans seeking capital to start or grow businesses downloaded our Access to Capital Questionnaire. Two hundred and sixteen submitted answers; 209 received individual financial counseling by our national staff who worked with them to refine their business plans and prepare for loans. We referred 73 of those veterans to our partner, the National Economic Opportunity Fund, NEOF, which provided two or more financial strategy and advising sessions to each of those 73.

Through TVC and NEOF's partnership, veterans are eligible to receive financing above and beyond those that are offered by the SBA on a fraction of SBA's budget and staff size. Two tremendous success stories clearly illustrate the positive effect TVC's Capital Access Program has on our veterans.

One example is the Army National Guard Lieutenant Trinity Cazzola, who was used to being a man on a mission. In 2007, while he was still deployed in Iraq, he expanded his mission to include lending his entrepreneurial spirit to the rebirth of New Orleans.

On November 26, 2007, Lieutenant Cazzola opened Mayas Restaurant on Magazine Street in New Orleans. Just four short months earlier he was on active duty in Iraq. It was from Iraq that he contacted TVC for help. Lieutenant Cazzola called our office in D.C. during his down time, 12:30 a.m. Baghdad time, and talked to our staff about the need for capital and the barriers he faced on active duty in Iraq.

TVC provided Trinity with full service support from business plan to advice, worked with our local bankers and in fewer than 60 days, Lieutenant Cazzola found a loan to get his business started.

In Fredericksburg, Virginia, TVC helped a soldier and his family create a triumph moment on November 22nd, 2007. Over the past four years the Santiago family had been coping with traumatic brain injury Joe Santiago suffered while he was on a mission in Kuwait. Unable to hold a traditional nine to five job, Joe and his wife decided to go into business and opened a franchise that they could own and manage as a family.

When their loan fell through at the last minute, Joe and his wife contacted TVC. TVC's partner NEOF began negotiating with bank officers, and within a month the Santiagos had the loan and were preparing for their grand opening, a Nestle Tollhouse Cafe by Chip franchise. It is an accomplishment that once seemed impossible, but it was achieved through the help of our TVC partner.

TVC's national hub has also implemented a nationwide surety bonding program. This program is crucial. For veteran contractors to secure some of the 550 billion nonresidential construction trade, they must be surety bonded. Through TVC and its partner, the Surety and Fidelity Association of America, celebrating its hundredth anniversary this year, veteran contractors have access to education and training that teaches them how to do business with the government and how to become bonded. SBA's program is capped at \$2 million with an average SBA-backed bond at about \$250,000. This is not enough for veterans and service disabled veterans to successfully compete for federal contracts.

By comparison, TVC's program is in all 50 states. It has no caps, and last year, TVC helped qualify 6.7 million in new surety bond programs. These Affinity partnerships help TVC make the best use of its restricted staff and financial resource. Each partnership is carefully considered and the specific applicability and value of the veteran entrepreneurial community. Each Affinity agreement is vetted through our pro bono law firm to insure that TVC and veteran interests are being well maintained.

In keeping with the rapid pace of change in our military and our economy, TVC's national staff members created and monitor an on-line veteran's business forum, connectvets.com, that facilitates veteran-to-veteran business support.

One veteran wrote TVC on February 20th to thank him for this forum saying, "The information you provided me will assist our attorneys in a more timely and accurate preparation of our new teaming agreement. Keep up the great work."

Additionally TVC staff members make presentations at conferences, seminars and events and implement nationwide programs that reach specific veteran communities, including service disabled veterans and members of the National Guard and reserve.

Added to these programs, TVC is a component of the Army career and alumni program, ACAP, and is opening an office at Walter Reed Army Medical Center through which we are providing direct counseling, posting business classes, and serving as a critical transition step for our nation's men and women.

TVC also—

Chairman SHULER. Excuse, Mr. Blackwell. Are you getting close?

Mr. BLACKWELL. I have more.

Chairman SHULER. Obviously it has been submitted to the record. So if we can, let's move on. We typically only have five minutes, and we never know when the next procedural vote will come forward.

Mr. BLACKWELL. All right.

Chairman SHULER. So thank you for your testimony. I do apologize.

Mr. BLACKWELL. Oh, that is fine. I just would like to ask that TVC's annual report, our audit report, our strategic plan, and letters from support be entered into the record as well, sir.

Chairman SHULER. Yes.

Mr. BLACKWELL. Thank you.

[The prepared statement of Mr. Blackwell may be found in the Appendix on page 46.]

Chairman SHULER. Our next witness is Don Wilson, President and CEO of the Association of Small Business Development Centers. The association has a partnership program uniting private enterprise, government, higher education, and local nonprofit development organizations.

Mr. Wilson, you will be recognized for five minutes.

**STATEMENT OF DONALD WILSON, PRESIDENT, ASSOCIATION
OF SMALL BUSINESS DEVELOPMENT CENTERS**

Mr. WILSON. Thank you, Chairman Shuler.

It is an honor to appear before the Subcommittee and discuss the Small Business Development Center Program.

A little over 30 years ago, the SBDC started as a pilot program in a handful of universities. Since that time, the program has grown to 63 programs in all 50 states, Puerto Rico, Guam, American Samoa, the District of Columbia, the Virgin Islands. We are now serving approximately 600,000 small businesses annually. Unfortunately those numbers are declining.

For the last seven years, until the 2008 fiscal year, SBDC funding from 2001 until 2007 was going backwards. As a result, the infrastructure had been decaying, not unlike bridges, roads, et cetera.

We are very fortunate and appreciate your leadership, the leadership of Ms. Velázquez and others on the committee who have advocated for increased funding for this program. We are not back to where we need to be in inflation terms. If you look at 2001, you have gone down about 24 percent until we got this new increase. If you will look at the testimony, page 2, I cite a number of examples of what is happening in individual state programs: the loss of counselors, the loss of centers.

You know, speaking of veterans, we normally serve 50 to 60,000 veterans annually. We are now below 50. We simply do not have the counselor capacity to serve them like we would like to. We hope that the additional dollars that we have received in 2008 will begin to reverse that.

But incredibly and unfortunately, the administration's budget has proposed for 2009 a \$10 million cut, which, quite frankly, would be catastrophic.

Our biggest concern right now is to look at the economy in the state that it is in, the declining jobs, the severe credit crunch that small business is facing, rising energy costs and so forth and realize that for many small businesses, they have only been in business during the good years, say, the last five years when the economy was growing. They have never faced a declining economy. It is kind of like a stock broker never being in a bear market.

These people, many of them without any management education, will be coming to us for assistance to keep their businesses afloat, and we are not going to have the counselor capacity to serve them.

We work with all of our partners. We work with Women's Business Centers. We work with SCORE. We work with the Veterans Corp. We work with the PTACs. We tried to work with the TAP Program with the military so that we are reaching all of these individual constituencies.

I think the numbers are very dramatic. Over 40 percent of SBDC clients are women. That is decidedly higher than the percentage of business owners who are women. Well over 30 percent of our clients are minorities, once again, considerably higher than the percentage of minorities among small business owners.

We have identified the at risk, the under-served. We are trying to reach out to them, but we cannot continue to do it. We cannot do more with less, as has been suggested to us for a number of years.

I do want to acknowledge the tremendous cooperation that we have had from the Associate Administrator and his staff and his

predecessor, Cheryl Mills. Many of the issues that we have had with the agency over the years have been, I think, alleviated.

For many years, SBA basically goaled us on how many people we saw. Our funding partners goaled us on our economic impact. And so as a result of the work of Anoop and his predecessor, that has been changed, and I think that is very, very favorable to the outlook for this program.

One of the things that concerns us, Mr. Chairman, is we are now beginning to see a number of new grant programs designed for SBDCs. There was some confusion as to whether that intended that those monies were to come out of core funding or new funding. That is an issue that we brought to the attention of all of the staff on both the House and the Senate side, both the authorizing committees and the appropriating committees, and we are very grateful for the response that we are getting to address that issue.

We do not want to see a situation where we take monies away from, say, 42 or 45 states who are serving veterans to provide a veterans grant program for half a dozen states. That is a zero sum game, and that will not serve our veterans well.

At this time I will be glad to answer any questions that you may have.

[The prepared statement of Mr. Wilson may be found in the Appendix on page 56.]

Chairman SHULER. Thank you, Mr. Wilson.

Our next witness is Melinda Sanderson, a member of the Public Policy Council for the Association of Women's Business Centers, and she is speaking on behalf of the organization today.

STATEMENT OF MELINDA SANDERSON, EXECUTIVE DIRECTOR, CANISIUS COLLEGE WOMEN'S BUSINESS CENTER ON BEHALF OF THE ASSOCIATION OF WOMEN'S BUSINESS CENTERS

Ms. SANDERSON. Chairman Shuler, thank you for the opportunity to be here today.

My name is Melinda Rath Sanderson. I am the Executive Director of the Canisius College Women's Business Center located in Buffalo, New York. I am proud to serve as the national chair for the Women's Business Centers Association, as the public policy chair.

The mission of the Association of Women's Business Centers, which was founded in 1998, is to support the entrepreneurial development programs for women across the country. There is currently 99 federally funded programs, and we see approximately 150,000 women-owned businesses on an annual basis.

I am in a unique position that I bring to you a perspective as someone in the field actually running a center. I am proud to tell you that at the Women's Business Center at Canisius College in Buffalo, New York, we serve just over 2,000 program participants on an annual basis. Since the program was established in 2003, we have had just over 8,000 total program participants.

Our program is somewhat unique, as we are imbedded with an entrepreneurial program in the School of Business. We are a completely external business program, but it allows us to truly lever-

age the relationship and the partnership, which is a true public-private partnership.

I also speak to you today having been a woman business owner for ten years, and I bring that perspective to my role as Executive Director of this particular Women's Business Center.

I was asked to address three specific issues. The first one was to evaluate the portfolio and the capacity to meet the needs. In my testimony, you will see that I have indicated that I think that it has been difficult for this particular program, the Women's Business Center Program, to keep pace with the quantity of growth of women business owners in the United States.

So I think that although we are having significant outcomes, it has been difficult to keep pace with the exponential growth of women business owners domestically.

The second area I was asked to address is the SBA's oversight efforts and distribution of resources. Quite frankly, this is the best relationship we have ever had with the Women's Business Centers and the SBA, and I applaud the leadership of the Administrator for putting in some real solid business practices, setting benchmarks, best practices, and implementing some real process improvement plans that are going to make a real difference in the running of these programs.

Specifically, I was asked to address the federal resource distribution issue. Recently there was put into place a process improvement which I believe will significantly improve the implementation of the payment. It was a model which was selected, a national model, a Health and Human Services model, and while it has not been implemented yet, it will allow Women's Business Centers to get advanced funding for their grants versus waiting for a request for reimbursement, which in the past has taken an incredible amount of time.

So I applaud you for your leadership on that. It is going to make a big improvement for cash flow for these Women's Business Centers, many of whom do not have an institution of higher education like a Jesuit institution behind them to support them financially.

The third area that I was asked to address was recommendations to improve the structure and delivery of the program. I think that it is critical that Women's Business Centers have a focus on financial sustainability and leveraging of resources.

I also think that it is critical for every Women's Business Center to strategically align themselves and partner with the other resource partners, small business development centers, and SCORE. In western New York, we have worked very, very hard to develop wonderful relationships, and we actually do a significant amount of collaborative work together.

In my opinion, SCORE and SBDC focus primarily on very early stage entrepreneurs. In the Women's Business Center in Buffalo, we focus on all stages, but in a very collaborative effort for those early stages. Quite honestly, I do not have the resources to be able to help people one on one write business plans. So what we do is take them after they have gotten their 7(a) or 504 loan and really help them to sustain, pay back their money, and grow.

As far as structure recommendations, I think the district offices should have a planned meeting between the resource partners in

their area. I know it is happening in some parts of the country, but I do not think there is consistency, and I think that would really add to the communication.

The depth of collaboration and the connection between the entrepreneurial development agencies I believe could be improved, specifically in the area of capital access and procurement. We have worked hard in our local market, but I do believe that there is a disconnect on the national level with helping those that have already received SBA funding to really help them pay back their loans and grow their businesses.

The Women's Business Center Program should be recognized as an economic development agency versus a social service agency. I believe there is a little bit of confusion in the marketplace around the country, and I would like to thank you for this opportunity to present this testimony.

[The prepared statement of Ms. Sanderson may be found in the Appendix on page 63.]

Chairman SHULER. Thank you.

As you have heard, we have another vote. So we will be in recess for about 15 minutes, and we will be right back.

[Recess.]

Chairman SHULER. This hearing is called back to order.

We probably have 20 minutes. So I have spoken to Mr. Yancey and Mr. Carroll, and they are going to speed up the process, and thank you for that.

Our next witness is Ken Yancey, Chief Executive Officer of SCORE, the Service Corps of Retired Executives. SCORE has 389 chapters in locations throughout the United States and its territories, with over 10,000 volunteers nationwide.

Mr. Yancey, you will be recognized for less than five minutes.

STATEMENT OF KEN YANCEY, CEO, SCORE

Mr. YANCEY. Thank you, Mr. Chairman, Mr. Fortenberry.

My name is Ken Yancey, and I am the CEO of SCORE. We appreciate this opportunity to testify.

As you know, SCORE is a resource partner with the Small Business Administration. SCORE offers free business counseling and low cost workshops to small business owners and those who would like to start a business. Since its founding in 1964, SCORE has helped nearly eight million small businesses. Today SCORE offers its services through 389 local offices and over 800 branches across the country.

Last year SCORE volunteers provided mentoring to nearly 340,000 entrepreneurs and provided workshops to almost 119 people. Our volunteers donated more than 1.1 million hours in fiscal year 2007. SCORE's total cost to the federal government was reported by the SBA to be \$9.8 million. That comes to \$8.90 per hour for expert business advice.

By helping new and growing small businesses, SCORE supports job creation nationwide. In 2007, the SBA reported that SCORE volunteers helped to create more than 19,700 new businesses, and SCORE estimates 25,000 new jobs were created.

SCORE was one of the first organizations on the WEB to offer E-mail advice. SCORE's 1,200 online counselors now provide advice in more than 600 business areas. Online counseling represents more than 38 percent of our total business.

SCORE also offers free online information and workshops on how to start, manage, and grow a business. Last year more than 2.6 million people visited score.org. SCORE offers online resources specifically for women, minorities, young entrepreneurs, Baby Boomers, manufacturers and veterans. More than half of SCORE's clients and 25 percent of our volunteers are women and minorities.

Men and women serving in the Armed Forces can count on SCORE for business mentoring and advice. For veterans who owned a business before being called into service, SCORE can help with marketing, business recovery and other plans to reestablish and grow their business.

SCORE counselors provide assistance for the new SBA Patriot Express pilot loan initiative, which offers loans to help start or grow a business. SCORE volunteers, many of whom served in the military themselves, are proud to support the success of these entrepreneurs.

SCORE continues to work to increase outside funding. Last year SCORE raised more than \$1 million in total contributions from corporate and foundation and volunteer sources. While major corporations are interested in reaching out to entrepreneurs through SCORE, they mainly provide funding for specific projects, not infrastructure, not general support, not organizational growth. These targeted donations rarely go into SCORE's general fund, and they cannot replace the dedicated appropriation we receive from Congress each year.

SCORE will continue to rely on the federal grant for those operating funds. To meet rising costs, expand services, and modernize operations, we request that this Subcommittee consider urging the House Appropriations Subcommittee on Financial Services and General Government to fully fund SCORE at \$7 million in fiscal year 2009. That additional funding would allow us to serve our clients better.

Chairman Shuler, we are here to help entrepreneurs achieve their dreams of success and strengthen the U.S. economy, especially during a time of economic uncertainty. SCORE volunteers help to create one new job for every seven new counseling sessions and one new business for every ten new counseling sessions. That is a valuable economic impact for our nation at a very reasonable cost.

We appreciate our partnership with the SBA and the others that are here. Thank you for this opportunity to testify.

[The prepared statement of Mr. Yancey may be found in the Appendix on page 67.]

Chairman SHULER. Mr. Yancey, an outstanding job on time.

Our final testimony will be provided by a resident in my district who has served a very important role in promoting the region's growth. Dale Carroll is the President and CEO of AdvantageWest, Western North Carolina's Regional Economic Development Commission. Dale Carroll is the past President of North Carolina's Eco-

conomic Developers Association, where he has helped lead statewide efforts in 2003 to promote passage of landmark legislation through the Economic Stimulus and Job Creation Act.

Dale, you have five minutes.

**STATEMENT OF DALE B. CARROLL, PRESIDENT AND CEO,
WESTERN N.C. REGIONAL ECONOMIC DEVELOPMENT COM-
MISSION, AdvantageWEST ECONOMIC WEST GROUP**

Mr. CARROLL. Thank you, Congressman Shuler, and it is good to see the Ranking Member, Congressman Fortenberry, again today.

When I was with you in mid-November, I introduced the Certified Entrepreneurial Community Program to you at that time. You were having a hearing about collaboration between USDA and SBA and how that might be extended to the grassroots level and become even more effective in places like western North Carolina.

I am glad to give you an update today on the Certified Entrepreneurial Program. We now have 14 communities that have completed the required leadership mean training in the Certified Entrepreneurial Community Program. They are moving through the checklist of requirements in order to become certified.

This program is building momentum not just in western North Carolina. I am pleased to update you today and let you know that the Economic Development Organizations in seven different states have now contacted us with interest in our Certified Entrepreneurial Community Program.

As related to today's topic where you look at SBA related programs, as I told you back in November, we have a good working relationship with USDA Rural Development, with SBA in western North Carolina, SBTDC which is the Small Business Development Center version of that program in North Carolina. It is called SBTDC.

In the case of the Certified Entrepreneurial Community Program, one of the requirements on the checklist is that these leadership teams, including some of the most rural areas of North Carolina, develop better access to technical assistance and capital formation programs for the entrepreneurs in their given communities. As I introduced the subject back in November, I want to reinforce the point again today. We believe that the CEC Program with the requirement regarding better technical assistance and access to capital programs through organizations like SBA and SBTDC in North Carolina, CEC can be a platform for delivering those services.

Let me summarize it this way. Just like it is not practical for AdvantageWest as a regional EDC based in Asheville to have a staff person in all 23 of the counties that we serve, we have to find ways to deliver our programs and services.

I would submit to you that SBA and SBTDC that is funded in part by SBA could do the same thing like we are doing now through the CEC Program. The leadership team in each community is going to be required to not only catalogue and promote services like SBA and SBTDC through their brochures, their Web sites, the campaign that they do with the local business writers with the media, but they will also do something called the Blue Ridge Entrepreneurial Council Forum Series, where they will have ongoing

workshops where SBA experts could come in and make presentations, where SBTDC staff could come in and meet entrepreneurs first hand on a regular scheduled basis. A real economy of scale could be picking up by doing things this way in western North Carolina.

As I close, let me thank you again for including our program in your hearing as you look at these and other important subjects, and if I can answer any questions about how the Certified Entrepreneurial Community Program can be a platform for delivering SBA and SBTDC services at the local level, I will be glad to talk about that.

Thank you.

[The prepared statement of Mr. Carroll may be found in the Appendix on page 76.]

Chairman SHULER. Thank you, Mr. Carroll.

At this time I will open it up for questions. Mr. Prakash, is that the proper pronunciation?

Mr. PRAKASH. Prakash.

Chairman SHULER. Prakash, Mr. Prakash. I apologize.

This year Congress gave \$97 million to the SBDC Program for the modernization and expansion of its services. Six months into the fiscal year, state SBDCs have not received any of its resources or its funding.

When will the agency allocate the \$97 million?

Mr. PRAKASH. Chairman, we have actually allocated those funds as of this week. Part of the hold-up was our consideration for some of the new legislation that had been passed, specifically the energy bill and the veterans bill, and making sure we had the right amount of money. We did not want to promise something that we could not deliver on, and so we did provide those accurate funding numbers actually as of Monday this week.

Chairman SHULER. Was that noted to the folks that it was going to take that amount of time? I mean, six months is an awfully long time.

Mr. PRAKASH. Sure. No, I think we all would have loved to have provided that early. It hurts our own planning, in fact, to not provide that sooner. We have been working closely with Mr. Wilson here and his board chair, Ms. Keenan, to make this happen as soon as we could, and a lot of that had to do with some of the questions that were left open in terms of the authorizing language and the appropriating language and bringing those together so that we were synched up.

Chairman SHULER. Very good, and obviously as we well know, everything up here does move extremely slowly.

Mr. PRAKASH. Absolutely.

Chairman SHULER. What has the SBA done to insure that the programs are keeping pace with the changing demographics of our veteran population?

Mr. PRAKASH. Well, I think I would love to also allow my peers to respond because they are the ones on the ground delivering those services every day. I can tell you that from our point of view, you know, we have a large emphasis on veterans service through all of our partners. Our online training speaks directly to veterans,

particularly when it comes to our Patriot Express loan program. That has been a great success, and it is a core mission of our agency. It has been a core mission, and it is something that we think about very seriously every day.

As far as the changing demographics of veterans, obviously there is a lot of return. Veterans are tapping into some of the transition assistance programs, particularly those resource partners who are located near places where there is transition happening, the larger military installations, and again, you know, I think the response has been tremendous. Particularly through the SBDCs and the Women's Business Centers and the SCORE program equally have served a disproportionately larger share of the veteran population.

Chairman SHULER. Mr. Blackwell, in my opening statement we recognized that only one-third of our veterans are obviously aware of the program. Do you agree with that part? And it is okay to disagree.

Mr. BLACKWELL. Absolutely. I mean, we are one of the best kept secrets in Washington, let alone in the other cities and rural communities.

Chairman SHULER. We will help fix that.

Mr. BLACKWELL. Yes. It is a serious issue. As I mentioned, one of the core problems really revolves around the fact that we do not know who those people are until they self-identify. I have often used the term there are three times that a person drowning uses. "Hey, I am out here." The second time, "I am in trouble." The third time it is, "Goodbye."

We are getting our veterans somewhere between two and three. They have gone through the traditional sources, the VA, the SBA. They may be confused by the Web site. They may not be close to an SBDC. They are not close to a DOL one-stop, and they are really confused about how to get through the process.

Sometimes we get them at the point where they have just abandoned all hope. So we absolutely agree there has to be a better way to get the message that there is an organization that works with all of my friends here at the table today, that is consolidating the salient points for them to start or be successful in a business that is already there.

Chairman SHULER. And I will note that I met recently with our veterans, our VFW and our American Legion, and they are having the exact same problem reaching out to our veterans, and part of it just a mental state after coming back home. The mental stress that they are under at that particular time that when they are leaving, that is the last thing on their mind.

Mr. BLACKWELL. I think it is two really flavors of ice cream here. The first is our guys are coming back much faster. So they are coming back from a theater of activity back into a civilian life without those transition times that are so crucial for them to readapt to a peacetime environment. At home it is very hard for them to do that quickly.

The second piece is they are coming back as you say in a mode of "I do not want to talk about it right now. I am going to go do something else for a while." So they put that time of transition into a longer period to where they are really ready to go look for and get advice.

Chairman SHULER. Thank you.

And I think we do have to continue to work with our veterans. They need the support whether it be health care and obviously in small business to give them an opportunity and have that outreach. That is something that I know Mr. Fortenberry and I will continue to talk about and stress, the importance of having the contacts and relationships that you can reach out to them.

Mr. BLACKWELL. I would just close on that piece by saying that we need whole people to be whole businesses.

Chairman SHULER. Absolutely.

Mr. BLACKWELL. And we really have to address all of the issues that veterans face, whether that is health care or well care, whether that is family services. You cannot be in a business that demands so much of your time that small businesses do without having a whole person to start that process, go through the process and be successful.

Chairman SHULER. Okay. It was not quite 20 minutes. I would like to ask one last question and then I would like to turn to my colleague.

This will be for Mr. Wilson and Ms. Sanderson. You know, with the tremendous amount of our budgets continuing to be cut, tell us about your outreach with the private sector and different foundations, how you are actually being able to gain capital and capitalize even though the funding is not there from the federal government.

I mean, you can look at the signs all over the halls. Democrats and Republicans talk about our debt. So if you do not mind, talk about your outreach to the community and how you have been able to gain so much economic structure for your organization.

Ms. SANDERSON. This is Melinda Sanderson.

We have been able to leverage our resources and our relationships because we are an institution of higher education. We have significant representation on our public directors who are lenders. They are SBA lenders, and because we are not doing direct lending, some Women's Business Centers are micro lenders, but we are not. They see a direct benefit to the sponsoring of programs, and we have been very successful.

The SBA percent of the budget currently is 37 percent, and we have been very successful in raising corporate and foundation dollars, as well as individual donors.

So I think it is finding the right partner. I think if you have got the right partner that has got the respect, I think that makes a big difference. And then showing that there is really something in there for that, there is a benefit for these banks to run a sponsored program that has access to our clients.

Chairman SHULER. Mr. Wilson.

Mr. WILSON. Mr. Chairman, we have, of course, had a requirement from the outset to access the federal dollars, we have to raise non-federal dollars, and we have done that through state governments, local governments, foundations, corporations and so forth.

One of the issues is the whole design of the program was that the federal dollar would leverage the non-federal dollar. And so when you get states that match and the federal dollar never goes up, the states are not likely to go up.

And now with this current economic downturn, all you have to do is look at foundations and you see where their stock portfolios are going. You see banks which have often been very helpful for us because we bring them high quality loan candidates. Their dollars are declining. States that are facing severe budget deficits which by law by their state constitution they cannot have. They are cutting back.

And so the issue now is not the same rosy outlook in terms of getting matched that it was, say, three or four years ago, and quite frankly, we encounter all the time if the federal government does not believe in this program, you know, we are not going to start pouring a lot of money into it.

Fortunately, with 208, with the help of Ms. Velázquez and others, we have been able to change that, and I have had several people tell me that that has resulted in a new match for them. But we have had some states that are in such dire stress for their budget that they have had to cut back on some of our match.

Chairman SHULER. At this time I would like to recognize Ranking Member Mr. Fortenberry for his questions.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

First of all, let me thank you all for your patience through the disruptions today, and let me give a little speech, a little editorial comment, and then I will go to my questions as well.

This is an oversight hearing. Obviously, as members of Congress who are charged with responsibility for this area of federal spending, it is our responsibility to make sure taxpayer monies are used prudently and wisely. But I think you will find in us some that some oversight hearings can be a bit raucous and contentious, and of course, if there is something wrong we need to find it and point it out, but I think the spirit in which we approach this through the leadership of the Chairman has been a working partnership.

If you see things that are not right, if you see things that could be done better, if you can enliven your work with the spirit of entrepreneurship so that we could use our limited funds most efficiently, expand where appropriate, maybe pull back on things that are dated and no longer apply, that is very helpful to us in helping you do your jobs as well.

And in that regard, let me ask you, Mr. Prakash. I appreciate your comments. The Emerging 200 targeted program for inner cities, do you have something under consideration for rural communities that would be concentrated like the Emerging 200?

Mr. PRAKASH. Thank you for your question, sir.

Right now the Emerging 200 is standing alone as an inner city program. Certainly for rural entrepreneurship, we have had a number of interesting programs go through.

First of all, Rural Lender Advantage, which I know, again, my colleague Mr. Zarnikow has briefed this Committee on or the broader Committee, and what we have found in the rural areas, the most important thing there is reaching rural communities because of the dispersion and the geographic dispersion; we have found that the best tools to reach rural communities are not only through our resource partners, but also our online training and online tools and working with local economic development organiza-

tions who can deliver those in their places of business much like the program Mr. Carroll described.

You know, as far as doing a concentrated technical assistance program there, there is just not enough density to be able to deliver that to rural America, and that is why we have been working through the banking community with Rural Lender Advantage, because the banking community has that scale, has that leverage, and you know, they have a co-investment and alignment of interest to grow that community.

Mr. FORTENBERRY. Yes, it is a very interesting concept and the reason I raise it. And if you look at the work Mr. Carroll has done in terms of coordination of all resources and elevating it to a new concept which gives, I think, real excitement that rallies even small communities around an idea of it being a certified entrepreneurial community, again, I put it on the table as perhaps an entrepreneurial governmental policy idea that lifting the best practices from what you are doing there and success stories and applying it in perhaps a more micro way, even though it might not be as concentrated of an area in terms of economic opportunity, need, or population; nonetheless, the severity in some areas of rural communities that are experiencing significant resource decline and dislocations which cause tremendous problems and stresses and duress for communities, again, may fit what I was talking about earlier in terms of entrepreneurial policy thinking.

So I leave that to you all to ruminate on.

Mr. Chairman, do we have a few more minutes? It is just about ten minutes of.

Okay. Mr. Blackwell, you had pointed to an interesting story about a disabled veteran who has a wonderful success story. What types of entrepreneurial opportunities do you see emerging for disabled veterans, best fits for people who are suffering from significant consequences of their public service to this country and have, therefore, certain limitations on their ability to move and pursue the range of opportunities most of us take for granted?

So what do you see as real potential there? Because, again, as I mentioned earlier, I think we do need to elevate your good work so that it is widespread and known, but there may be a subset of the niche you are talking about in terms of disabled veterans' opportunities.

Mr. BLACKWELL. There are veterans who have very strong family ties, wives, children, who are able to enter into franchise businesses, not just the Santiagos were able to do. Joe's traumatic brain injury allows him to be at the building, but it is really his wife Stacy and their three daughters that are making this work and give financial stability to that family.

So the franchise opportunity continues to grow. That is why we work with the International Franchise Association to make that happen.

In terms of severely disabled vets who are able to participate either in homebound business activities or able to go into outbound, we are very actively involved in establishing call centers. Call centers in Chattanooga, Tennessee will come on line some time mid-next month. We are very excited because that is a 150 seats. They can do that from their home with special assisted equipment.

We have made all of our Web site activities 8(a) compatible so that all of our activities are available regardless of your disability. We are working, as I mentioned earlier, with Walter Reed to see if an internship program will work with local kind of mini mentors in the area. The first of those folks will be coming into our offices directly to work on the phones and to get direct advice on businesses.

So I do not think that there is a specific range of jobs that are available. What we are trying to do is see where the knowledge and assets that maybe the physical liabilities do not allow would allow them to go into either a coordinated activity for counseling other vets in jobs or sharing their information about their professions.

Mr. FORTENBERRY. Great. Thank you. Thank you very much for that.

I will continuing questions, Mr. Chairman, if that works. Are we ten minutes in? No, we are five minutes.

Chairman SHULER. The next bell.

Mr. FORTENBERRY. Thank you for your leadership, Mr. Chairman.

[Laughter.]

Chairman SHULER. We will be in recess and we will come back in ten or 15 minutes.

[Recess.]

Chairman SHULER. At this time I would like to recognize the gentlewomen from New York, Ms. Yvette Clarke, for her questions.

Ms. Clarke.

Ms. CLARKE. Thank you very much, Mr. Chair and Ranking Member Fortenberry, for holding this very important hearing.

Let me just start by stating that it is evident that there is a direct relationship between the technical assistance and positive success rate for small businesses. In fact, there is evidence that firms that receive technical assistance double their chances to succeed.

Small businesses in many inner city communities, including my district, benefit from accessible, affordable technical assistance, and as more socially economically disadvantaged and women-owned businesses continue to grow rapidly, we must continue to find ways to provide resources they need to succeed since these businesses have historically faced so many obstacles in order to start and to improve their companies.

I would like to start my questioning to Mr. Prakash. As you know, my colleague, Chairman Shuler, introduced H.R. 2389, which is the Small Energy Efficient Business Act, which was later incorporated into the House energy bill that passed last August. These provisions require the SBA to develop an Energy Star Program for small businesses and to provide grants through SBDCs to help small businesses become energy efficient.

My question to you is: has your agency started developing the Energy Star Program? And do you intend to insure that small businesses who need financial assistance the most to become energy efficient will be able to get that funding?

Mr. PRAKASH. Thank you for the question.

We have, indeed. Obviously we are in receipt of the passing of the Energy Efficiency Act. We are looking forward to implementing the bill. Part of the delay, frankly, for us was making sure we un-

derstood what the funding was going to be in 2008 for the agency, and at this point now that that is clear and we know that we are going to be providing to the SBDCs, we are looking forward to implementing a pilot set of grants for the energy efficiency audits that were required by the law.

Ms. CLARKE. And can you give us a sense of how the Energy Star Program will work for small businesses, what structure and infrastructure has been put in place to facilitate that?

Mr. PRAKASH. I think I may be confused around the Energy Star Program. I am speaking to the Energy Efficiency Grant Program to the SBDCs. I am less familiar with the Energy Star requirement, but I am assuming you are speaking of the same thing.

Ms. CLARKE. Yes, basically.

Mr. PRAKASH. Okay. What we are planning to do is as per the legislation, the legislation spoke to grant amounts between 100,000 and 300,000 to get started. I think from our point of view there are certainly a couple of SBDCs that have already demonstrated some best practices in the energy audit area. We would like to take those best practices, learn what they have done that has been so successful, put those into our program announcement for the pilot program, and try to see five pilots within this fiscal year, which obviously we know time is running short.

We want to get those five pilots up and running, get some metrics, get some response back, and then hopefully, depending on the funding levels next year, work on a much broader program.

Ms. CLARKE. So the program has yet to be implemented. Have you targeted specific regions to run these pilots in?

Mr. PRAKASH. We have not targeted any regions. We are still working on collecting all of the pieces for the program announcement. I do not expect personally that we would move to a region-by-region requirement. Part of doing a competitive grant program is to allow it to be open for any SBDC to pursue it.

Ms. CLARKE. So you are going to do sort of an RFP for competitive bidding?

Mr. PRAKASH. That is right. It will take the same grant RFP format as our Women's Business Center Program, which is also a competitive program.

Ms. VELÁZQUEZ. Will the gentle lady yield?

Ms. CLARKE. Certainly, Madam Chair.

Ms. VELÁZQUEZ. Sir, can you explain to us where you are getting the money for the program?

Mr. PRAKASH. Absolutely, yes. For both the energy and the veterans program, we will be pulling that from the \$97,120,000 that were provided in the appropriations language for grant programs.

Ms. VELÁZQUEZ. I will come back to you when I am recognized. I yield back.

Ms. CLARKE. Mr. Prakash, the full Committee recently sent a letter to the Budget Committee recommending that new funding initiatives, but expressed the core SBDC Program to be fully funded before resources are directed to new services.

Do you intend to not divert funds from the core SBDC program? And if so, then how do you plan to fund other initiatives?

Mr. PRAKASH. Are you speaking to the veterans and energy specifically?

Ms. CLARKE. Yes, specifically.

Mr. PRAKASH. Well, our plan today is to pull about a million dollars, exactly one million dollars from the 97,120,000 that was provided in the appropriations language for grants. It was a general grants line, and given that this was law and we intend to implement that law and look forward to implementing those laws, that was basically the only pool that was appropriated for those programs.

Ms. CLARKE. Thank you very much.

Mr. Chair, I yield back.

Chairman SHULER. I would like to recognize again the Ranking Member, Mr. Fortenberry, for his follow-up questions.

Mr. FORTENBERRY. Ms. Sanderson, I would like to continue with you as well. In your experience, what are you seeing as emerging trends among women entrepreneurs?

Similar to the question I asked previously, where do you see the trajectory of certain types of opportunities and success stories emerging? Can they be quantified to a particular set of opportunities? Is it a continuum of things?

And what are the resources that are giving rise to certain sets of entrepreneurial opportunities for women that you work with? What other barriers are out there that are prohibiting or limiting entrepreneurial opportunities for the sector which you work with?

In other words, what are your success stories, if there is a general pattern of them, and do you see those being duplicated and continuing to grow versus other opportunities that might be on the continuum of things that are available?

Ms. SANDERSON. You know, the program is set up as a center. We are a center. So, you know, we are kind of like the switchboard operator where we can really direct people to other resources that might suit their needs better like the veterans program. We have a veterans representative, a permanent position on our board of directors, specifically for the purpose of being that switchboard operator to direct them to the other resource partners that might better serve their needs.

So that is an important distinction, I believe, of the program, that we are a center and a resource for all women. I do think that women have some very specific and unique characteristics. They are risk adverse. So they are afraid to get a loan and afraid to sign the collateral because they know that they would have to sign the collateral for their house, and that is very scary for women. So that is a unique feature for women business owners.

Also, the issue of isolation. Many women start home-based businesses and that is unique to women, and also support, the support piece. Our program focuses on critical skills, knowledge, tools and support, and what I find is that for the women that that support element to our program is really what they need. They need ongoing continual help in kind of a continuum of care so that wherever they come to us, whether it is early stage entrepreneur or middle stage, we are really looking, you know, to sustain and grow and get another loan and expand and take advantage of some of the capital 504 programs. It is really that continuum of ongoing care step by step that is really important to them.

Mr. FORTENBERRY. It is interesting that you mention home-based businesses, and I just want to bring this up in a larger context because the last hearing we held if I recall correctly, what we were trying to do is identify clear burdens or barriers to entry for entrepreneurs, and there are many of those outside the traditional bounds of what we think of. We tend to quantify them as capital.

Mr. Carroll, you do a real good job of identifying the four key ones, I think. It is capital, technology, regulatory, and education, if I recall correctly.

But there are other issues out there that could smooth the pathway, and let's just pick up with home-based businesses, for instance. Are there tax code changes that could be made to allow this to be a little bit easier for people to take advantage of the potential tax deductions that are available? That is one.

Do we encourage or are we encouraging or are our deductibility on real estate laws such that we give a disincentive in a certain sense to wiring up through technology so that we can have extended workplace either hours or distant locations of work?

I think these are the types of questions that we need to look at as drivers underneath or impediments underneath what could be much more flourishing opportunities and entrepreneurship given the constraints that exist in certain communities.

We talk about disabled veterans. There might be certain constraints for women entrepreneurs, and you have identified some of them that other initiatives might help take care of. So I was trying to get at that point as well earlier, and that is why I wanted you to expand upon do you see a certain trajectory of opportunity that is fitting the niche that you are working with.

Ms. SANDERSON. I do, and for us and having been a woman business owner, we start with a business plan. Having been in business for ten years myself without a business plan, I think the fallacy of the plan is you only write it to get money, but the reality is I may still be in business had I had a plan with accurate financial projections.

So you know, we work real hard on trying to set a distinction between a hobby and a business, and we serve a lot of hobbies. You know, Dolly's Doughnuts out of her kitchen is very different than someone who has capital and is renting space and has employees and is really trying to pay back their loan and trying to grow and get the core business skills necessary.

Our program focuses on core business skills and what is really necessary, and then we focus on their area of deficiency. If they are weak in marketing, we get the marketing help, and if they are weak on finance, we match them up in a one-on-one program, a coaching program we have, with experts that focus on that deficiency, and to get them the knowledge that they need for tax purposes, we partner with our state and our local experts in that to bring that kind of educational entrepreneurial training to them.

Mr. FORTENBERRY. Thank you.

One other impediment that we have not discussed that is probably worthy of a hearing in and of itself is the issue, and we have had them in the larger Committee, but the issue of how health insurance, lack of availability or portability impedes entrepreneurial opportunity is a real productive drain on society because it basi-

cally chains the person to whatever institution they may be with that is providing them health insurance and does not allow a shift into what they would desire, what they would socially prefer in terms of risk taking.

That is a topic for another day, but, Mr. Yancey, I want to say thank you for your work with SCORE. I think it is probably our nation's oldest effort in this regard and well established.

I was in Norfolk, Nebraska recently to celebrate three entrepreneurs. One was a new barbecue business. One was a person who was doing marketing through her home on the Internet, and there was another business, but it was a celebration of the SCORE chapter's work in one of my primary rural communities.

In that regard, I think it is important also to point out that sometimes the answer is no, and this is very important as well to properly allocate scarce resources in a society. Whether or not the capital is not adequately there, whether or not the technological barriers have been overcome, whether or not there is sufficient understanding of how to market an account or lay out a business plan leads sometimes to the answer being, no, this is not a good fit for you because being in business, particularly entrepreneurial business, is risky, is a heavy lift. It takes not only a deep passion and a long view, but a lot of things to line up accordingly.

In that regard, Mr. Yancey, I want to go back to that same question. What do you see evolving as new trends for entrepreneurs that mitigate those risk elements that increase the probability of success and, again, can provide a broader template as we are discussing this for SCORE to work with so that we could precisely identify real opportunities that are emerging that have strong probability of success?

Mr. YANCEY. As we address the needs of our clients that come in, you are right. The need to say no is something that we do often and try to do that without in any way damaging anybody's dreams or making them feel like they do not have the possibility of being successful at a point in time.

We do see opportunities, franchise type opportunities where there is a model and there are systems and processes in place that can be replicated successfully. We talk more about the franchise opportunity these days than we have in the past.

We also find that clients that come to us today are better prepared than they have been in the past, and I think the reason for that is the proliferation of information on the Internet and one's ability to go and search Small Business Start and see 39 million different opportunities to get information.

That is certainly valuable, but information only goes so far, and we believe that what we provide is an opportunity for a small business owner to take that information, bring it into one of our counselors and allow us to help them understand how that or if that applies in their particular business environment.

So I think, again, the franchise opportunity seems to be one that we see more, and certainly that we recommend when someone does not have really strong business background.

Mr. FORTENBERRY. Well, again, let me leave you with a parting challenge to say that we are here to help creatively think through new policy opportunities that will strengthen America's entrepre-

neurial vision. This is a great growing trend, particularly among younger workers who do not project and see themselves out as being someone for 30 years in retirement and all of those other niceties which we use to structure our labor force.

I think it is a great trend. It is very meaningful to people to be able to take the gift of their own two hands and their intellect and create a product and take full responsibility for that and, in turn, create a product that is good for society and have the fullness of returns to them and in the process maybe help some other families along the way with employment opportunities.

So even though I think the Small Business Committee and the small business policies, the SBA and U.S. affiliated organizations really should be deeply gratified by the opportunity you have been given to help people at the most fundamental level, to provide well for themselves in an area that is deeply gratifying.

To that end though, what I like to avoid is a conversation about, hey, here is the pie. We need a bigger slice. We need a bigger slice.

Let's expand the size of the pie. Things that are not working, that are dated, that are from a previous era let's let go of. Things that need to be modernized, expanded because they have real benefit-to-cost ratios and high levels of return is what I want to hear about, and I think the Chairman and I are greatly disposed or being open to receiving that type of input from you all.

Thank you.

Ms. SANDERSON. I would like to follow up with a couple of my questions that I had from earlier.

Mr. Carroll, obviously, you have been an outstanding champion in our community, and I would kind of like to brag on what AdvantageWest has done in our communities, and so I would like you to share some of the ideas that you have had in the form of a question, but tell us more specifically how you have been able to organize a community.

Your organization has helped implement economic growth strategies for the rural areas. The western part of North Carolina is a very rural area. We have three counties that have less than 10,000 people in population. It seems that one of the principles for Advantage West is using resources and partnerships to the greatest extent possible.

Can you outline to the Committee why it is particularly important in rural areas to have these outlining groups to come in and help you to organize and to bring entrepreneurship throughout the region?

Mr. CARROLL. Thank you.

I will briefly summarize what I mentioned earlier. In a 23-county area like the AdvantageWest region, it is roughly the size of the State of Maryland, but due to the presence, thankfully, of both national and state parks in that landscape, our geography is a beautiful geography, but our population is just not that dense. Very much when you get outside of Ashville and Hendersonville, we reflect a landscape that would be representative of rural America.

And so the leadership teams that are required to go through prerequisite training through the Center for Rural Entrepreneurship, RUPRE as it is called, are crucial to these very rural and small communities as you describe, Chairman Shuler.

And we are excited about the momentum of the program. The 14 leadership teams include 12 county-wide programs, the Eastern Band of the Cherokee Indian has developed a leadership team, and the most recent team to complete training was the Town of Black Mountain, a very small, quaint, little municipality.

Each of these leadership teams have in common that they represent a cross-section of people in their given community. There are elected officials. There are people from the financial community, local business owners. We have made it a requirement that entrepreneurs be seated as members of each leadership team as they go through the certified entrepreneurial community checklist and meet all of their requirements.

And I tend to believe that when you make progress, whether it is rural or urban America, generally people follow leadership, and they follow a sound plan and strategy. And I know that sounds like I am oversimplifying something that can be very challenging, but in essence, that is what this Certified Entrepreneurial Community Program is all about. It is putting some structure in place at the grassroots level. It is getting the right leaders in behind that structure, and then requesting that resources like the group that I am here with on the panel today be a part of that Certified Entrepreneurial Community effort so that we can deliver those programs and services more efficiently in, again, very rural communities.

Chairman SHULER. How has the program worked in working with our panel here today? Describe some of the relationships and how it has worked and some of the benefits that the entrepreneurs receive from that.

Mr. CARROLL. Well, we are off to a very good start in that in our 23-county area we have a regional presence of SBA in Ashville, our urban center, and then for the rest of the region, again, that is so rural, we have SBTDC offices, one based at West Carolina University, the Western Carolina University campus in southwestern North Carolina. We have an office of SBTDC at Appalachian State University in Boone. All of that football publicity, people know where Boone is now, Appalachian State University.

And in Ashville, a relationship with one of our financial institutions. Bank of America has provided some of their space for an SBTDC office in Ashville.

And then in the Hickory MSA between Ashville and Charlotte, that part of the foothill counties we have the fourth SBTDC office in the region.

Those SBTDC offices are beginning to work with us. You have to keep in mind that the Certified Entrepreneurial Community Program was just designed and launched in 2007, and as the communities begin to go through the checklist, the SBTDC field personnel are working with those local leadership teams, again, because there is a requirement that the leadership teams reach out to them.

We think that over time we will pick up some economies of scale this way, and it will get that technical assistance and access to capital to entrepreneurs, not to say that they could not have gotten it otherwise. I believe in many cases they could. This will be a more structured and a more efficient way to deliver it through the 14 different communities that are participating.

Chairman SHULER. Thank you.

It gives me great pleasure to introduce our Chair of the Small Business Committee, the Chairwoman of Small Business, Ms. Velázquez.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman, and thank you for holding this very important hearing, and Ranking Member Fortenberry.

Mr. Prakash, I would like to address my first question to you, and that is regarding your emergent cities proposal that will draw resources from the agency's already strapped budget for very limited results, helping 200 inner city businesses. This is in comparison to a program like the Women's Business Center where, for example, the Canisius College Women's Business Center in Buffalo, New York, whose Director is testifying here today, assists on average 2,000 women per year, including many inner city women.

Yet, as you know, this is with a grant that is approximately half of what you are spending on your entire new initiative.

Given the cost of this new program and the limited deliverables, how can this be a good use of this agency's funds?

Mr. PRAKASH. Thank you for the question, Madam Chairwoman.

The Emerging 200 Program is sufficiently focused on an area of coverage that we currently just do not have coverage in. Currently, our best estimate is about less than ten percent of any of our resource—

Ms. VELÁZQUEZ. I am sorry. What did you just say, that they do not have coverage? What?

Mr. PRAKASH. I am saying that less than ten percent of our nationwide coverage with our resource partners is in the inner cities in the United States.

Ms. VELÁZQUEZ. I would like for Mr. Wilson and Ms. Sanderson to comment on that.

Mr. PRAKASH. Sure.

Mr. WILSON. Madam Chair, I do not have a breakdown, but I will try to get that for you. Obviously whether it is St. Louis or Philadelphia or New York or Atlanta or wherever, we have SBDCs right downtown, and they are serving the inner city community.

Obviously, as you know, with 25 million small business people across the country, if you took all of these, we are only reaching a part of them.

Ms. VELÁZQUEZ. But does that ten percent come right to you?

Mr. WILSON. Ten percent might very well be a reasonable number. I am thinking of places like Georgia and Pennsylvania and New York. I would think in New York probably we are better than that.

Ms. VELÁZQUEZ. Mr. Prakash, let me go to Ms. Sanderson. I am sorry.

Ms. SANDERSON. Thank you for the question.

The program, the Women's Business Center Program specifically, has about 100 federally funded programs right now in the whole country. So you know, there are limited, you know, ways that we can focus specifically on inner cities.

We had a conversation at the break that many of these areas that are being targeted are urban that do not have a focus or do

not even have a focus of Women's Business Center or maybe an SBDC Program.

Ms. VELÁZQUEZ. But do you really think that only ten percent of your centers are serving ten percent of the women in urban areas?

Ms. SANDERSON. Our numbers are not tracked that way. The way we track it is socioeconomically disadvantaged. That is how we are required to track it, and the Women's Business Center sees between 46 and 52 percent on an annual basis. So whether those women come from the inner city or not is not a focus. It is tracked in different ways. So I cannot answer the question.

Mr. BLACKWELL. When we look at our minority numbers of over 30 percent, Madam Chair, I would correct myself.

Ms. VELÁZQUEZ. I am sorry?

Mr. BLACKWELL. When we look at SBDC overall counseling clients and training, which are over 30 percent minority, I would probably raise my estimate of coverage.

Ms. VELÁZQUEZ. At a time when the budget is being cut and at a time when the entire budget for SBA has been cut and the money for Women's Business Center and Small Business Development Centers, you have to ask yourself if the type of money that you are taking from this program is worth taking to finance 200 businesses. The return that you are going to get compared to the work and the goals that are achieved through the network of Small Business Development Centers across the nation and Women's Business Centers.

Mr. PRAKASH. May I comment?

Ms. VELÁZQUEZ. I know the answer, but I want to tell you that \$250,000 out of the money of the corps to fund—

Mr. PRAKASH. That money is not coming from the Core, Madam Chairwoman.

Ms. VELÁZQUEZ. It is coming from the agency's budget.

Mr. PRAKASH. It is a request.

Ms. VELÁZQUEZ. It is coming from—the cuts that have been—from the agency whose budget has been cut almost 50 percent in the last six years. So when you talk about consolidating programs, when you talk about making government smaller, here you come and take money and create a new program.

Let's talk about the language on the energy bill that you made reference to and the language on the H.R. 4253 for the vets program. I am going to read the language to you.

"Subject to amounts approved in advance in appropriations acts," that is the language for H.R. 4253. On the energy bill the language reads, "Specifically in advance," and the energy bill goes further and says it takes the extraordinary step to include separate.

So my question to you today is: what does advance mean?

Mr. PRAKASH. Madam Chairwoman, the authorizing bill may very well say advance. It is the appropriations language that has said the \$97,120,000 for grants. It did not specify Section 21(a) grants, and we are being told also by your colleague, Ms. Clarke, we want to implement this bill. We want to support energy and support veterans, which is core to our mission, and we intend to do it, and we have reached a very nice accommodation to be able to support that as a pilot and none of the money is going away

from the SBDC Program. It is simply supporting energy and veterans within the SBDC Program.

Ms. VELÁZQUEZ. My question is why don't you then use the \$250,000 to do that.

Mr. PRAKASH. This is a fiscal year 2008 implementation. We do not have those \$250,000 to do that.

Ms. VELÁZQUEZ. My question is the statute reads "subject to amounts approved in advance in appropriations acts." Are you going to request appropriations separate for the vets program?

Mr. PRAKASH. We are going to be using one million dollars from the 97 million that was appropriated for grants.

Ms. VELÁZQUEZ. Why are you doing that?

Mr. PRAKASH. That is the only grant pool that has been appropriated.

Ms. VELÁZQUEZ. It does not say that you are going to take money from that. It says separate from that amount of money, from that program.

Mr. PRAKASH. There is no other grant pool to take from.

Ms. VELÁZQUEZ. Yes, but you know, we here passed the law, and you implement it. So it does not say that you are going to fund the vets grant program through the Corps money.

Mr. PRAKASH. I think I am confused. We are here to implement laws. We look forward to implementing these laws. We support them.

Ms. VELÁZQUEZ. What I am trying to say—

Mr. PRAKASH. But I am not sure how you expect us to fund them if we do not fund them from a grant pool.

Ms. VELÁZQUEZ. —that you have to use—well, the statute is very clear. It says it is separate. It says in advance in appropriations act, and what I am saying to you today is that you have to use a separate appropriation, and do not come to us with something different because then we are going to hold a hearing, and I am going to bring the Administrator to explain to us why you are doing what you are not supposed to do. That is not what the statute said.

Mr. Wilson, you testified that the SBA has defined congressional intent in its interpretation of how the grant programs are to be funded. So based on the fact that the statute is clear, what do you intend to do? Are you going to file a lawsuit because they are in violation of the statute?

Mr. WILSON. Madam Chair, the association probably does not have standing to file that suit, you know, and when you are trying to work with a partner, litigation is not an avenue that you would readily jump into.

We have talked with a number of people, as you know. Michael and Tim and others have been so helpful to us, and Mr. Serrano's staff and Chairman Kerry's staff and others. We are not experts in writing appropriations statutes or authorizing statutes. We had thought it was clear. Working with your staff and Senator Kerry's staff and Ms. Snowe's staff, we had thought it was clear, but we have had others, some of Senator Durbin's staff and legal counsel of SBA—

Ms. VELÁZQUEZ. But the Parliamentarian of the House made it clear to us that the language that was submitted was in violation

of House rule. If it is in violation of House rule, we cannot include such language.

Mr. WILSON. Right, and so we had hoped, I think, as you did, as your staff and everyone on the Committee that that language was clear enough. Apparently SBA legal counsel views it differently, and I do not know that we are in a position to address that through litigation.

I would hope that if there are disagreements among the agency lawyers and congressional staff and the authorizers and appropriators that perhaps language can be found that everyone can agree on its meaning, but we had, like you, we had thought that what you had done was adequate.

Ms. VELÁZQUEZ. What you need to do, what the administration needs to do is to read the statute, and I am going to read it again to you. "Subject to amounts approved in advance in appropriations act, the administration may make grants or enter," and it continues.

So it is quite clear, but do you know what? We created the Women's Procurement Program. We signed that into law. The administration refused to implement it, and the Women's Chamber of Commerce, first they want to work with the administration, but when they are in violation of the law, you have a remedy, and that is to bring a lawsuit and they did, and the court ruled in their favor.

So it seems like women in this country, when they feel violated and that their rights are being violated, they will use the legal recourse that they have in front of them.

Mr. Blackwell, you claim that the process for awarding grants to average centers was altered to increase the program's comprisment. Yet some of this year's grant recipients have no history of serving veterans.

At the same time you terminated funding for average centers like the Boston one that focuses only on training veterans. This center has served over 4,000 clients over the past four years.

Given the Veterans Corporation's limited budget, why would you fund organizations without experience over those who have demonstrated success assisting veterans?

Mr. BLACKWELL. Thank you, Madam Chairwoman.

The board faced a very difficult decision two years ago in that funds are limited and in order to maintain the national mandate of 106-50 serving nationwide programs, we decided to follow the lead of Women's Business Centers in competitive grants. Those competitive grants would be based on opportunities that exist, for example, in 1999. When 106-50 was passed there were very few, quote, veteran assistance centers around the country.

Today there are literally hundreds, and those hundreds have demonstrated the ability—

Ms. VELÁZQUEZ. But can you explain to me why you do not fund the Boston Center while you fund the Technological and Research Development Authority and the Jewish Vocational Service in Boston, the Seattle Business Assistance Center? They have no experience, none. In their mission statement, if you go to, they have no experience.

Mr. BLACKWELL. I understand that.

Ms. VELÁZQUEZ. They provide no services. So why are you going to terminate centers that have the experience, the capability, and the history of providing services to veterans and instead give to these who have no experience?

Mr. BLACKWELL. I go back to the fact that the board decided on a competitive grant system in Fiscal Year 2006, and that competitive grant system, again, modeled after the Women's Business Centers, gave three centers that we funded in Fiscal Year 2007, Boston, St. Louis, and Flint, Michigan, the opportunity for a non-competitive grant program for that entire year.

At that time they were told that they would be part of a competitive grant system for Fiscal Year 2008. That Fiscal Year 2008 system had over 32 grants from 22 states compete for those grants, and—

Ms. VELÁZQUEZ. What is the success of the three centers that have been operating?

Mr. BLACKWELL. Those charts are in my written performance, and we evaluate those every quarter. Their success rates are good. The organizations—

Ms. VELÁZQUEZ. So why are you not providing the money for them if they are good?

Mr. BLACKWELL. It is very simple. We could only fund the top eight according to our grants committee review. There are 32 other grants that are there.

Ms. VELÁZQUEZ. Are you telling me that those who have no experience, no track record, no history, no capability, that they score better than those who have been on the ground providing the service?

Mr. BLACKWELL. No, I am not telling you that. I am telling you that these centers are—

Ms. VELÁZQUEZ. Let's go to the next question.

Mr. BLACKWELL. —qualified through the grants—

Ms. VELÁZQUEZ. Mr. Blackwell, the act creating the Veterans Corporation required that your organization develop and coordinate relationships with a number of federal agencies, such as DOL, DoD, and the Department of Commerce. Additionally, you were to work with SCORE and SBDCs.

It seems that over the past to years or few years the corporation has ignored this mandate. In the last 12 months, what has been your interaction or partnership with any of these agencies or resource partners?

Mr. BLACKWELL. I would be happy to answer that. In December of 2007, we co-sponsored the Department of Defense's Doing Business with DoD Show—

Ms. VELÁZQUEZ. But previous to that, since you have been operating. So talk to me about all of the coordination that you have been doing—

Mr. BLACKWELL. Oh, I would be happy—

Ms. VELÁZQUEZ. —in accordance to the mandate.

Mr. BLACKWELL. We work with almost every agency, except Agriculture, and they just have not had an opportunity to do that.

Ken Yancey at SCORE and I have been working together for my entire three-year tenure. We send through our portal at TVC site three to 500 people a day to Ken's counseling center.

Mr. Wilson and I have a memorandum of understanding since my tenure three years ago, and we worked literally last Friday. Mr. Wilson's organization and mine did a ribbon cutting in Scranton, Pennsylvania for a young vet who has started his own mining company.

Ms. VELÁZQUEZ. That was last Friday.

Mr. BLACKWELL. That was last Friday.

Ms. VELÁZQUEZ. Previous to that, besides doing a workshop in December.

Mr. BLACKWELL. I speak at Mr. Wilson's conferences. We work on programs together. We have an active memorandum of understanding.

In terms of DOE, we work very closely with the Department of Energy.

Ms. VELÁZQUEZ. Okay. Specific initiative with the Department of Energy.

Mr. BLACKWELL. We co-sponsor their annual event. We co-sponsor the Eighth Annual Event for Small Business Conference in June of last year.

Ms. VELÁZQUEZ. You sponsor their annual event. Is that solely for veterans?

Mr. BLACKWELL. No. Veterans comprise a large number of those things.

Ms. VELÁZQUEZ. Mr. Blackwell, TVC was basically a charter with three missions: to establish a professional certification advisory committee; to engage the major federal agencies and partner with them to assist vets; and finally, to establish and maintain a network of information and assistance centers.

Given that the first two mandates have not been met, it seems the corporation will have more resources to insure a solid framework of centers to assist veterans. However, we understand that the three centers TVC was responsible for funding are all about to close.

What efforts has the organization pursued to insure that the three centers in Boston, Missouri and Michigan will not close?

Mr. BLACKWELL. Well, we are very concerned about their fate as well as we are our own.

Ms. VELÁZQUEZ. I know that you are very concerned. What are you going to do so that they do not close?

Mr. BLACKWELL. We are very actively involved in trying to find private funding. A lot of my time is being put on finding that outside private sector funding.

Ms. VELÁZQUEZ. Okay. Let me make this clear to you. Then Chairman Talent and I worked very hard to create this legislation, to pass this legislation, and we spent a lot of time in putting this together, and I promise you that I intend to spend a lot of time to make sure that the Vets Corps gets back on track. And so you and I, we are going to be seeing each other a lot.

Mr. BLACKWELL. Well, we will welcome this opportunity.

Ms. VELÁZQUEZ. And we will intend to hold oversight hearings to make sure that the Vets Corps accomplishes what it sets out to do, and that is not to close centers and open three million centers and dilute the resources that you do not have.

So let's make sure that the mission of this corporation is achieved, and we are going to be seeing each other quite a bit.

Mr. BLACKWELL. Thank you, Madam Chairman.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman.

Chairman SHULER. Thank you, Madam Chair.

I guess I forgot to mention fasten your seatbelts.

[Laughter.]

Chairman SHULER. I would like to have follow-up questions. Ms. Clarke has a couple more questions. So Ms. Clarke from New York.

Ms. CLARKE. Thank you, Mr. Chairman.

Just a follow-up to Mr. Blackwell, just one. I have a concern that I would like you to address on the record here today, and that is recently reading in the New York Times March 5th that the Senate Small Business Committee launched an investigation into a shortfall at the National Veterans Business Development Corporation. Can you please tell us why your organization is being investigated, one?

Two, why did your organization receive only 1.5 million in funding last year?

And, three, how do you expect to run your program efficiently and effectively on only \$1.5 million?

Mr. BLACKWELL. Well, let me start with the latter. The simple facts are there are 4.2 million veteran companies in the United States. I cannot even send them a stamped envelope, let alone provide a service if I were just be chartered to support them.

Secondarily, we are very concerned obviously because \$1.5 million does not go very far when you start talking about serving a nation.

To your first question, the real issue is we are not terribly sure why they are doing that. We have provided and been in compliance with Senator Kerry and Senator Snowe and given them information on our 2007 activities in the annual report, our audit, and all the other materials they have asked for, including our strategic plan from 2008 to 2012.

We are more than happy to work with them and to resolve this issue because our staff of three, which is literally 50 percent of where we were six months ago, has a very deep commitment along with our board to supplying veterans services across the country. It is very, very, very difficult to do that when you are talking about over 600,000 young men and women who have served our country nobly who have come back recently from Iraq and Afghanistan.

Ms. CLARKE. Just as a follow-up, so why did your organization receive only 1.5 million in funding last year?

Mr. BLACKWELL. Well, the Public Law 106-50 is out of authorization in 2004, and thanks to Congress, we have been able to apply for and receive appropriations in 2005, 2006, 2007 and in 2008, and those numbers decrease. We are very grateful to Congress for keeping our veteran entrepreneurship hopes alive through this organization.

We had approved in the house 2.5 million, as you may know. It went to the Senate, and out of conference it came back at 1.41. So we were very disappointed.

To the Chairwoman's comment, we would have been able to give a lot more grants this year had we been given the 2.5 out of the

Senate. So it is very disconcerting to the board and to the professional leadership that dollars are decreasing at a time when demand is increasing.

Ms. CLARKE. My final question is to Ms. Sanderson. Ms. Sanderson, Women's Business Centers have faced reductions across the board due to inadequate budget resources. Can you tell this Committee in detail how this has impacted your center?

You know, this is a major concern. I think the fastest growth in small business has taken place in women-owned businesses across the board, and the type of supports that we believe are required have not been stated explicitly here today.

We also want to acknowledge the overlap that is taking place. In other words, women veterans, you know, what type of attention are they being given in the entrepreneurial sphere as well?

So if you could just address that for us.

Ms. SANDERSON. Yes, thank you for the question.

Specifically regarding women veterans, we had a focus group with all of our local veteran leaders. We have got a leader on our board of directors who is currently employed with the county in western New York, and so we do a lot of really thinking, strategic thinking, about how we reach out to these special groups.

And last year the Women's Business Center received more funding than it had in the past. We were up to 13 from 12.8, and for my particular program and the program that I run, we have a sustainability plan, a sustainability plan and a strategic plan that really forces us to look strategically at our resources and to creatively come up with diversified streams of revenue. It is the only way that we are going to sustain the organization.

And I think that that is really important for Women's Business Centers. I think it should be part of the RFP, that in year three of their five-year grant, they should put a sustainability plan together because that is what we did and it actually preceded our strategic plan, which called for us partnering with corporations and foundations and individuals, as well as defining the needs and designing programs that met the needs, did not duplicate, but collaborated with other resource partners and, you know, charged a fair price for the products and services that we are delivering.

And specifically for the socioeconomically disadvantaged and the inner city clients that we serve, we scholarship them into our programs because we believe that that is core to our mission and is one of our core values.

Thank you for the question.

Ms. CLARKE. Thank you very much, Mr. Chairman.

I noticed Mr. Prakash taking some notes there. I think that that is an important component, the sustainability of these technical assistance and development centers within our communities. You know, economic times change, and certainly I think, Mr. Blackwell, you may be seeing some of that in terms of your expectations.

It is really important that we, you know, think outside the box and look at how we can leverage what we are receiving. We expect that the dollars that we are able to appropriate to you, that they are maximized and they are not diluted, which is one of the issues and concerns that our Chairwoman has.

At the same time we have got to think smart, and we have got to be able to leverage this for the future of our economy.

Thank you very much, Mr. Chairman.

Chairman SHULER. I would again like to recognize the Chairwoman, Ms. Velázquez.

Ms. VELÁZQUEZ. Thank you very much.

I just a copy of a letter that I sent to Administrator Preston, that Mr. Edward Rose answered on his behalf to me, and I am going to read what he sent, what I asked him for him to respond and what was his response to the subject that I raised in my letter.

"Administrator Preston asked me to respond to your letter of May 16th, 2007, regarding the Small Business Development center Program. You inquired as to whether proposed legislative language will provide guidance that SBDC based on program funding is separate from the funding of other proposed SBDC related grant initiatives. The language in question reads," and this is right after Mr. Shuler's energy bill passed, "Subject to amounts approved in advance in appropriations acts and separate from amounts approved to carry out Section 21," and it goes on.

This is his response. "SBA assumes its placement will be in a separate paragraph of the Small Business Act in the absence of any other writing or conflicting statutory provisions in the authorizing or appropriations statute. This proposed language, maintain the main SBDC program baseline funding separate from that of any other enacted SBDC related grant initiative programs."

So, sir, why is it that administrative officials tell me and this Committee something and you come here and tell me something else?

Mr. PRAKASH. Well, Madam Chairwoman, there was a key sentence in there, and that was in absence of any conflicting authorizing and appropriating language, and what we have heard, and I am not the General Counsel. This is my General Counsel advising me, and I think it is correct, is that the authorizing language and the appropriations language—

Ms. VELÁZQUEZ. Okay. Yes, I hear what you are saying.

Mr. PRAKASH. —was conflicting. The appropriations language overrides that language.

Ms. VELÁZQUEZ. Sir.

Mr. PRAKASH. And it was not referred to as 21(a) funding.

Ms. VELÁZQUEZ. Your legal counsel, you made reference to your legal counsel. Can you tell me right here right now when did your legal counsel approach the Committee staff regarding this language so that they concluded what they concluded?

Mr. PRAKASH. There have been many conversations with Committee staff, both with counsel, with our Legislative Affairs group.

Ms. VELÁZQUEZ. No.

Mr. PRAKASH. Both on the Senate and the House side.

Ms. VELÁZQUEZ. None.

Mr. PRAKASH. I would be happy to provide that in writing when those meetings took place. I know there were several visits, and I am not sure who attended, but there were several conversations.

Ms. VELÁZQUEZ. I will maintain my previous statement, and that is you will request funding that is separate from the ABDC for the

grant program, and if not, we will hold a hearing and the Administrator will come and will answer.

Thank you, Mr. Chair.

Chairman SHULER. Thank you.

I would like to thank all of the witnesses for their testimony today. I look forward to working with my colleagues to address some of the issues that were raised today.

This hearing is adjourned.

[Whereupon, at 12:49 p.m., the Subcommittee meeting was adjourned.]

HEATH SHULER, NORTH CAROLINA
Chairman

JEFF FORTENBERRY, NEBRASKA
Ranking Member, Veterans

Congress of the United States
U.S. House of Representatives
Committee on Small Business
Subcommittee on Urban and Rural Entrepreneurship
2501 Rayburn House Office Building
Washington, DC 20515-6315

STATEMENT

of the

Honorable Heath Shuler, Chair

Committee on Small Business Subcommittee on Urban and Rural Entrepreneurship
Hearing: "Oversight of the Entrepreneurial Development Programs Implemented by
the Small Business Administration and National Veterans Business Development
Corporation"

Wednesday, March 12, 2008

Today, the Committee will examine the Small Business Administration and Veterans Corporation's efforts to provide entrepreneurial development assistance. In times of economic instability, new business opportunities are a critical source for growth in our nation's productivity, employment, and innovation. However, with tightening credit conditions, and rising health care and energy prices, small firms face an increasingly tough economic environment. For them to remain competitive, they need access to up-to-date information, business training, and marketing advice.

This hearing will evaluate SBA and Veterans Corporation's initiatives, and determine what needs to be done to make sure they are meeting the needs of today's entrepreneurs. These programs deliver services across a wide range of economic sectors, providing significant returns on investment. A particularly remarkable example is the Women's Business Center program, which has demonstrated a 15 to 1 return on federal expenditures. This is occurring during a time when diminished resource capacity and poor agency management practices are holding these initiatives back.

If we could overcome such problems, think what this could mean for America's entrepreneurs. For many, SBA's programs provide the framework for success. Demand for these services has risen, while capacity has not kept pace. In fact, counseling hours are decreasing. It is important to find ways to reverse these trends and to provide tomorrow's business owners with the support they need.

The Committee will also look more broadly at what the SBA is doing to improve these initiatives.

One of its proposals is the Emerging 200 program, which focuses on inner city businesses. An important point to examine is how this program's cost compares to existing SBA initiatives. We need to make sure that taxpayers are getting the best bang for their buck, and that this money couldn't be better spent elsewhere. One of the most important "up-and-coming" entrepreneurial sectors is veterans. For the 600,000 troops returning from Iraq and Afghanistan, business-ownership is a viable option. To make this a reality, they need the tools to start-up and grow. Unfortunately, one-third of veterans have no knowledge about the programs targeted to them to promote entrepreneurship. We have to find ways to increase outreach efforts so that more returning servicemen and women may start their own endeavors.

These entrepreneurial programs can provide new opportunities and vital training. With the economy facing substantial challenges, these initiatives need to be a top priority for policymakers, practitioners, and small business owners. This Committee has spent a great deal of its time trying to improve these programs, and recently two of our bills became law. For the 400,000 Americans who each month take the brave step of starting a business, we must make certain that they can succeed. Our nation and local communities will significantly benefit from their growth and job creation.

U.S. House of Representatives

SMALL BUSINESS COMMITTEE

Subcommittee on Contracting and Technology

Wednesday,
March 12, 2008**Opening Statement of Ranking Member Jeff Fortenberry***Oversight of Entrepreneurial Development Programs Implemented by the Small Business Administration
and the National Veterans Business Development Corporation*

I would like to thank Chairman Shuler for holding this hearing on entrepreneurial development and outreach programs. We are here to offer oversight of the Small Business Administration's entrepreneurial development programs. I am hopeful that this hearing demonstrates to entrepreneurs that Congress is attentive to their needs as the nation's primary job creators. Today's hearing affords us a unique opportunity to examine some success stories, as well as potential areas of improvement, of the federal government's efforts to assist entrepreneurs.

The vast majority of potential entrepreneurs as well as the 28 million small business owners do not have the financial resources to hire management consultants or business advisors. Nevertheless, these business people face numerous operational issues, such as finding financing, developing marketing plans, handling production, and complying with a myriad of federal, state, and local regulations.

Many of the programs we oversee on the Small Business Committee are designed to assist already-established businesses, so I am pleased and excited to be in a role to assist startups and entrepreneurs. The spirit of entrepreneurship needs nurturing, and to that end Congress has authorized a variety of programs to assist small business owners and budding entrepreneurs.

The SBA's entrepreneurial development programs operate in tandem with a number of other business outreach programs operated by other federal agencies, such as the Department of Commerce and the Department of Agriculture. Some are designed to provide advice to any small business, such as the Department of Commerce's trade assistance programs. Others offer assistance to specific groups, such as the Center for Veterans Enterprise at the Department of Veterans Affairs.

As with any government program, oversight is necessary for these programs. Mr. Shuler's briefing memorandum for this hearing did a superb job of highlighting some of the specific issues to be addressed for each of the programs under review today. These programs must be more closely coordinated to ensure a maximum level of flexibility for the nation's entrepreneurs, so they do not encounter a confusing patchwork of programs when they approach the government for assistance.

The need for better coordination and efficiency led Chairman Shuler and I last year to direct the Government Accountability Office to examine how the SBA's programs can be better coordinated with those operated by the Department of Agriculture. The results of that review should help the SBA to do a better job of coordinating its disparate outreach efforts so that entrepreneurs in rural America will have access to the best resources and expertise when they interact with the government.

I would like to thank the witnesses for taking time out of their schedules to provide their valuable insights. Mr. Chairman, I thank you again, and I yield back.

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Statement of Rep. Jason Altmire
Committee on Small Business Subcommittee
on Urban and Rural Entrepreneurship Hearing
“Oversight of the Entrepreneurial Development Programs Implemented by the Small
Business Administration and National Veterans Business Development Corporation”
March 12, 2008

Thank you, Chairman Shuler, for holding today’s hearing to examine the entrepreneurial development programs implemented by the Veterans Corporation. Last May, I chaired a hearing of the House Committee on Small Business Subcommittee on Investigations and Oversight to determine if the Veterans Corporation was prepared to provide entrepreneurial development assistance to service men and women returning from Iraq and Afghanistan. When I posed that question to Mr. Blackwell he responded “our answer is a resounding yes.” It now appears that the Veterans Corporation is not as prepared as Mr. Blackwell led us to believe last spring. I hope that Mr. Blackwell can explain why, despite being provided with \$1.4 million last year, the Veterans Corporation only granted a total of \$135,000 to the St. Louis, Missouri, and Flint, Michigan, Entrepreneurial Centers and why the third center, located in Lawrence, Massachusetts, received no funding. In the past week, each of these centers has announced that they will have to close their doors by the end of this month if nothing is done, leaving our growing veteran population with no where to turn.

When Congress created the Veterans Corporation in 1999, the mission was to ensure that the emerging needs of veterans from the Iraq and Afghanistan wars were being met. The Veterans Corporation was created to help veterans transition their skills and leadership experience into economic success and to provide entrepreneurial development resources to start small businesses. The law that created the Veterans Corporation states that it was to “establish and maintain a network of information and assistance centers for use by veterans and the public.” But today I sit here and am concerned that the Veterans Corporation has not fulfilled its mission.

The Veterans Corporation’s services should be reflective of the needs of veterans, and it should utilize its resources more effectively and efficiently through improvements

to its operational strategy. I hope that Mr. Blackwell and the Veterans Corporation will work with the small business centers in St. Louis, Flint and Lawrence to keep their doors open and provide the funding provided to them by Congress. It is critical at this time to ensure that veterans are afforded with every opportunity for economic success.

Thank you, Mr. Chairman. I yield back the balance of my time.

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**HOUSE SMALL BUSINESS COMMITTEE
RURAL AND URBAN ENTREPRENEURSHIP SUBCOMMITTEE
HEARING REGARDING
OFFICE OF ENTREPRENEURIAL DEVELOPMENT
March 12, 2008**

Testimony of
Anoop Prakash
Associate Administrator

Chairman Shuler, distinguished Members of the Committee, thank you for the invitation and opportunity to share with this committee the important work the Office of Entrepreneurial Development is engaged in to serve entrepreneurs and small businesses across the country. I am Anoop Prakash, the Associate Administrator for the Office of Entrepreneurial Development (ED).

Our mission in ED is to help entrepreneurs start, grow, and succeed by providing nationwide access to quality training and counseling resources, both through a physical network of resource partners and through online training and assessment tools.

In FY 2007, the portfolio of programs in ED counseled and trained over 1.4 million entrepreneurs. ED serves these clients through our three resource partners: Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), and SCORE, and through the Small Business Training Network (SBTN), our online training platform.

Each of these programs has become catalysts for economic development within the communities they serve and support. In my visits and meetings with ED programs around the country, I have observed the dedication of both the executive and counseling staffs, including volunteers, to building businesses and creating jobs. These individuals are equally dedicated to developing new techniques in counseling, training, outreach, and building on their local expertise.

Further, each program continues to develop a more distinct role in the overall economic development ecosystem. SBA's FY 2007 ED Impact Study shows that more SBDC clients are in-business, relative to other resource partners, and have a median revenue of \$100,000. The median SCORE and WBC clients are relatively new entrepreneurs, with median revenues of \$59,000 and \$32,500 respectively.

Today, I would like to focus on the direction ED has taken over the past year and will continue to pursue throughout FY 2008. We have been focused on three core areas to improve our program management and further impact economic development across the country:

- 1) Accelerate delivery of SBA products and services in underserved markets
- 2) Improve customer service for our grantees
- 3) Increase investment in online assessment and training capabilities

ACCELERATE DELIVERY OF SBA PRODUCTS AND SERVICES IN UNDERSERVED MARKETS

SBA products and services reach an ever-increasing number of entrepreneurs across the United States, enabling capital access, government contracting, and technical assistance across a wide variety of industries and communities. An Agency strategic initiative is to accelerate entrepreneurial success through focused delivery of SBA products and services to underserved communities in order to energize the local economy, create jobs and drive toward a sustainable economic base. The overall initiative, being lead by ED, consists of a combination of program level and local level activities designed to serve major underserved segments in both inner-city and rural environments. Agency activities fall into three broad categories:

1. Improvement of entrepreneurial literacy and technical assistance in underserved communities. This effort will focus on leveraging the Agency's existing resource partners with community organizations working with targeted underserved populations to deliver on-site counseling to further develop entrepreneurial and business literacy. Our first pilot has the NY SBA District Office, NY SBDC and NY SCORE delivering training and counseling at Operation HOPE's center in Harlem, NY. At last report, we are on pace to double the number of entrepreneurs counseled and trained in that community from the prior year.
2. Improved access to capital in underserved communities through improved lending processes and loan products. This effort includes the Rural Lender Advantage initiative. Rural Lender Advantage supports community lenders by making the lending process more streamlined and easier to administer for small banks with limited administrative staff and capacity.
3. Inner-City Training Program: SBA Emerging 200. In October 2007, Administrator Preston announced an innovative new program, called the SBA Emerging 200, designed to help stem the negative job growth experienced in several American Inner Cities with employment of 40,000+ and job growth rates below 1 percent from 1998-2005. The program will provide intensive growth-oriented training to in-business emerging inner-city companies, heavily influenced by best practices gathered by the Initiative for Competitiveness in the Inner City (ICIC), and our study of successful inner-city efforts. The goal is sustained job creation by focusing on programs that support companies with the highest potential for growth in the most economically distressed communities, and continuing to nurture these companies with SBA programs and services once they graduate from the initial training.

It is important to note that the Emerging 200 initiative is not duplicative of current ED programs. Current ED programs serve entrepreneurs at every stage of business development, cover large geographic areas of need and reach out broadly to minority, women and veteran entrepreneurs. The Emerging 200 initiative is very targeted to emerging, in-business companies in the inner-city, that have high-potential to grow and create new jobs. The initiative will be centrally managed, with a uniform curriculum, and provided to roughly 200 entrepreneurs in 11 cities that meet the in-business, geographic and revenue-based eligibility requirements. Training is focused on communities in specific geographic locations.

IMPROVE CUSTOMER SERVICE FOR OUR GRANTEES

As part of our overall agency strategy to improve our service delivery to our customers, we have undertaken an intensive review and re-engineering of the most resource and time-intensive processes in ED. The end goal was to balance our compliance and risk management activities with a practical, proportionate approach that allows our grant recipients to spend more time doing what they do best – serving entrepreneurs.

Specifically, we have completed two major projects: Re-engineering the SBDC Financial Exam Review Process and Streamlining the WBC Program Announcement. In both cases, we have received resounding feedback thus far from our clients, and are committed to continuously improving these areas. In addition, we continue to look to streamlining other program announcements, migrating our paper-based pay request and disbursement system to an automated payment management system, and making additional improvements to our performance and efficiency metrics reporting system.

All of these changes are to benefit our clients and represent just a few of the positive changes that will be made this year to better the program.

INCREASED INVESTMENT IN ONLINE ASSESSMENT AND TRAINING CAPABILITIES

As you might imagine the increase in demand for resources online has been dramatic, and almost ¼ of all clients served across the network are counseled and trained online. For the past three years, ED has invested steadily and built the Small Business Training Network (SBTN), a virtual campus for small business. It currently offers 23 free online courses with more in development. The SBTN's courses are available to anyone, free of charge, and are most often accessed by entrepreneurs, resource partners, community organizations, and universities. This effort significantly improves our ability to serve customers where they live and where they do business, and assembles the best knowledge on key topics related to business and SBA programs in one place. Targeted courses provide the ability to create and deliver meaningful training plans that support small business owners and nascent entrepreneurs to address specific client needs.

In slightly over three years, SBTN has served more than 1,000,000 customers. On a typical day, approximately 1,200 clients take an SBTN online course – that's 50 clients every hour.

SBA also features two interactive online assessment tools – designed to evaluate a client's skills and direct them automatically to the most appropriate training and resources offered by the SBA. In six months, over 150,000 customers have completed at least one of the two assessment tools.

Due to the increase in demand, we have encouraged our resource partners to engage in more online counseling and training, leverage SBA courses as appropriate, and develop new content for their client base. For example, The Minnesota SBDC utilizes an online request for services and training seminar registration system termed eCenter. The online system allows prospective clients the ability to submit a Request for Counseling form or to view and register for training workshops held throughout the MNSBDC network online. Additionally, SCORE introduced over 29 online training workshops in FY 2007. SCORE now offers 24/7 online counseling by functionality and industry, as well as training workshops on topical business subjects.

Further, we continue to invest in development of SBTN and will build several new online courses, and assessment tools by the end of FY2008.

SERVICE TO OUR NATIONS VETERANS

One additional area I would like to touch upon, based on the interest expressed by the Committee, is our focused outreach to Veterans. As a former Marine and Veteran myself, I am passionate about serving both past and present members of our Armed Forces and their families. SBA employees nationwide work tirelessly to enhance and increase small business ownership and the success of veteran entrepreneurs through extensive local outreach from our district offices, resource partners, and matchmaking programs.

ED resource partners do a tremendous job of reaching Veterans through their counseling and training programs. One contributing factor to our resource partner's successes is that several of our Veterans Business Outreach Centers are currently co-located within Small Business Development Centers in three of our country's largest states----Texas, New York and Florida. Last year, ED and our resource partners served 64,208 veterans of which 7,383 were service-disabled. In addition, we are proud of the success of the new Patriot Express Loan program, which has seen 1,007 loans for \$101,430,800, many of which were assisted by our resource partners helping the borrowers develop their loan packages. We look forward to continue to support Veterans as we implement the recently passed legislation.

Chairman Shuler, it is a sincere privilege for me and my colleagues to serve America's entrepreneurs and to work with the dedicated professionals and volunteers from the Small Business Development Centers, Women's Business Centers and SCORE networks who share our enthusiasm and support of small business.

Thank you for the opportunity to testify before the committee, and I look forward to answering questions you may have.



Statement of

**Walter G. Blackwell
President/CEO
National Veterans Business Development Corporation**

Before the

**Committee on Small Business,
Subcommittee on Rural and Urban Entrepreneurship**

United States House of Representatives

Washington, DC

March 12, 2008

Mr. Chairman, Ranking Member and members of the Subcommittee, I thank you for this opportunity to discuss The Veterans Corporation (TVC) outreach effort and business development service delivery to Veteran Entrepreneurs.

The mission of TVC is to create more prosperous communities and a stronger national economy by fostering business opportunities for Veterans and Service-Disabled Veterans. TVC is an organization that provides direct program services while acting as an entrepreneurial catalyst/ clearinghouse/ facilitator/ broker for Veterans, Service-Disabled Veterans, and members of the Armed Forces, especially those service members who are returning from Iraq and Afghanistan and transitioning from military service into the business community.

TVC is working everyday to assist Iraq and Afghanistan Veterans, along with all Veterans who want to start and grow a business. Two recent examples of Veterans whom TVC has assisted include Army National Guard, Lt. Trinity Cazzola and Joe Santiago.

As a member of the Army National Guard, Lt. Trinity Cazzola is used to being a man on a mission. He's got a new mission now: lending his entrepreneurial spirit to the rebirth of New Orleans. On November 26, 2007, Cazzola threw a grand opening party for Mayas Restaurant, located on 2027 Magazine Street in New Orleans. However, Cazzola is no ordinary restaurateur: just seven short months ago, he was on active duty in Iraq. With the help of business partner, Edgar Arias, and The Veterans Corporation (TVC), Cazzola was able build a restaurant from halfway across the world.

As a platoon leader in Iraq, Cazzola was conducting missions around the clock, coordinating up to 20 soldiers at a time from remote locations. Even though he was on call 24/7, he was still able to devote a few hours a day of his personal time to organizing the restaurant. Every moment he could carve out, Cazzola was writing a business plan, crunching marketing numbers, and even applying for a liquor license. It's no surprise that America's soldiers are known for their determination.

Cazzola called TVC staffer Erin Jones to inquire about assistance from TVC, and made an immediate impression when he next spoke with TVC's Access to Capitol expert James Mingey. "I was amazed. Here is a guy who must be under incredible stress while serving our country, and he's still got the willpower to pursue his dream. I was determined to help him any way I could."

TVC is providing Veterans with experts to help them through the financing process, whether they're starting a business, or just need a little cash to keep things going. When Cazzola entered the program, he got full service help, from simple business plan advice to conference calls with bankers. Starting a restaurant takes time, but TVC is not in the business of giving up on Veterans, and TVC was eventually able to help Cazzola find the right loan.



Veteranscorp.org

With the government facing the daunting prospect of reintegrating thousands of returning soldiers, TVC wants to ensure that new Veteran entrepreneurs have the resources to succeed. As any small business owner knows, capital is often the hardest thing to come by. While there are number of veteran loan programs out there, soldiers like Cazzola have a hard time cutting through the red tape. TVC's Access to Capital was designed to change all that. Joe Santiago's story is a perfect example of TVC's dedication getting Veterans the resources they need.

November 13, 2007 was a triumphant day in the life of a soldier, his wife, and his family. For more than four years, the Santiago family had been coping with the traumatic brain injury Joe Santiago suffered in Iraq. On November 22, 2007, they celebrated the Grand Opening of their Nestle Tollhouse "Café by Chip" franchise. It was an accomplishment that seemed impossible just a few years ago.

In March of 2003, Joe was on a surveillance mission near the Kuwaiti-Iraq border when he fell 20 feet and suffered a direct blow to the head. At the time, he thought the injury was minor. However, persistent numbness in his arm, tunnel vision, and headaches eventually forced him to seek medical attention.

What followed was a three year journey through the twisted channels at Walter Reed and Bethesda medical centers and finally onto the VA Medical Center. Since there was no visible sign of an injury, doctors initially suspected Joe of faking his symptoms. They figured he was just trying to milk the system for some extra benefits. But people who had met Joe before the injury knew something was definitely wrong.

He had memory loss, and he had trouble with simple household tasks. He had to leave hours early for a doctor appointment because he often got lost. Loud noises distracted him and sometimes he stuttered. He was emotional, and even the slightest difficulty would send him flying off the handle. He was also in constant pain.

TVC began working with Joe when he and his wife were unable to secure a loan to open the business. TVC's access to capital partner, the National Economic Opportunity Fund (NEOF), began negotiating with bank officers and, within a month, the Santiago's had a loan and were preparing for the grand opening of their business. Today, Joe and his wife Stacy, along with their daughters, are successfully operating their own business, which not only provides for their family, but allows Joe Santiago to work despite the injuries he sustained.

Mr. Chairman, and members of the Committee, TVC is helping many Joe and Jane GI's throughout America. TVC is a Federally-chartered 501(c)(3) organization that was created by Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999. This Act recognized that America "has done too little to assist Veterans...in playing a greater role in the economy of the United States". The



Veteranscorp.org

Corporation is charged with creating and enhancing entrepreneurial business opportunities for Veterans, including Service-Disabled Veterans. The Board of Directors is appointed by the President of the United States and provides governance over TVC. As a 501(c)(3) tax-exempt organization, TVC can do things that government agencies cannot, will not or should not do.

Mr. Chairman, in FY'07, TVC spent 71 cents of every dollar on programs and services, 19 cents on G & A, and less than 10 cents on fundraising.

SUMMARY OF EXPENSES FY 2007

PROGRAMS	\$1,762,901.00	71.1%
G&A	\$ 475,311.00	19.20%
FUNDRAISING	\$ 240,494.00	9.70%

Mr. Chairman, TVC provides Veterans, Service-Disabled Veterans, members of the Guard and Reserve, and their family members with the tools and resources they need to be successful entrepreneurs with emphasis on:

- **Access to Capital** – From start-up businesses to established businesses looking to expand, TVC understands that financing is an essential need for any business owner. In fact, it is the number one question we receive from our members. That is why TVC has partnered with the National Economic Opportunity Fund (NEOF) to provide Veteran and Service-Disabled Veteran Entrepreneurs with access to capital and the financial support they need to succeed in business. TVC and NEOF are working with multiple lending partners to provide \$5,000 to \$300,000 loans as low as 0% over prime and larger loans of up to \$3,000,000. With TVC's program, Veterans receive financing options above those offered by SBA's 7A and 524 programs.
- **Surety Bonding** – Last year, the value of construction put into place, excluding single family residential construction, was about \$550 billion. For Veteran contractors to secure some of that work, especially in the public sector, they must be surety bonded. Through TVC's partnership with the Surety and Fidelity Association of America (SFAA), both current and emerging Veteran contractors and subcontractors are provided with the education and training they need to do business with the government. TVC members can become experts in government contracting and surety bonding with the nation's only free, fully mentored surety bonding program for Veterans. SBA's bonding cap is set at \$2 million, with the average SBA backed bond at \$245k, not enough for Veterans and Service-Disabled owned companies to successfully compete for federal contracts. TVC's program has no caps, and is a 50 state program.



Mr. Chairman, out of our national hub office TVC in Fiscal Year 2007, TVC headquarters staff has facilitated:

- 2,227 Veteran and Service Disabled Veteran company matchmaking interview sessions during Business Matchmaking events held in Ft. Lauderdale, FL; Atlanta, GA; Upper Marlboro, MD; Washington, DC and Chicago, IL.
- \$391,000 in funding to Veteran and Service-Disabled Veteran owned businesses with another \$39 million in the pipeline.
- \$6.7 million in new surety bonds.
- Nearly one thousand workshops and counseling sessions including, but not limited to, how to write a business plan and assistance with financing and surety bonding.

Attached are three charts detailing services provided by the TVC National Headquarters staff.

Mr. Chairman, web traffic through TVC's Virtual Veteran Business Resource Center (veteranscorp.org) in FY 2007 includes:

- 3,140,511 hits
- 427,048 page views
- 277,574 unique visits lasting an average of 3:07
- 33,095 downloads of materials
- 14,124 visitors to the ConnectVets Business forum, a Veteran peer-to-peer online discussion board where Veterans can share business information with each other

Mr. Chairman, program dollars spent by TVC in FY 2007 by state are as follows:

CA	18k	CADVB/ASDV
GA	10k	Business Matchmaking - Atlanta
IL	10k	Business Matchmaking - Chicago
MA (Boston VBRC)	180k	
MI (Flint VBRC)	140k	
MO (St. Louis VBRC)	150k	
VA/WV	6k	www.vetbiznetwork.net
Total	514k	



Veteranscorp.org

TVC Headquarter Hub Activity Report (Oct 1, 2006 – Sep 30, 2007)
Outreach and Education:

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	YTD total
Kessler/NEC applications downloaded	-	-	-	-	-	-	79	74	80	192	157	116	425
Kessler/NEC applications submitted	-	-	-	-	-	17	6	5	11	11	13	5	68
Events with TVC presentation	1	1	1	4	4	1	3	4	4	2	3	1	29
Number of veterans attendees/advocates	50	300	359	100	670	700	20	230	1030	1336	775	70	5631
Number of online classes provided	1	0	0	0	0	9	0	0	0	44	41	14	109
Average # of visitors to ConnectsVets per month (estimated)	-	-	-	-	-	2046	1980	2046	1980	2046	2046	2046	14,124
ConnectVets/forum members	-	-	-	-	-	67	30	23	30	30	33	19	232
Virtual workshops	-	-	-	-	-	-	-	-	-	136	340	67	537
General Counseling	36	25	20	45	30	50	38	20	35	30	41	38	408

Access to Bonding: (TVC National Headquarters activity)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	YTD total
Questionnaire downloaded	-	-	-	-	133	117	129	97	166	219	178	114	1153
Questionnaire submitted	-	1	1	0	0	1	2	1	1	8	4	3	26
Number of new bonds	-	0	0	0	0	0	0	0	1	1	0	1	3
Total amount of new bonds	-	0	0	0	0	0	0	0	\$800k	\$3 mil.	0	\$2.9 mil.	\$6.7 mil.



Access to Capital: (TVC National Headquarters activity)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	YTD total
Questionnaire downloaded	-	-	-	-	802	812	634	486	967	874	568	446	4575
Questionnaire submitted	5	6	5	15	7	27	27	28	35	30	10	21	216
General Financial Counseling	40	40	25	30	18	12	12	6	6	6	7	7	209
NEOF Referrals	1	2	2	6	0	8	10	5	4	20	7	8	Referrals: 73 Total Dollars: \$39 M
One-on-one mentoring	7	8	7	15	18	40	53	54	60	58	35	44	399
Number of loans facilitated	0	0	0	0	1	0	2	0	0	1	1	0	4
Funding Facilitated	0	0	0	0	\$15k	0	\$36k	0	0	\$100k	\$240k	0	\$391k
Number of loans denied	0	0	0	0	0	0	1	0	1	0	0	0	2



I have included in my testimony the reports from the three separately incorporated 501(c)(3) Veteran Business Resource Centers that TVC funded in FY'07.

Activity	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	Flint TOTAL	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	Boston TOTAL	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	St. Louis TOTAL
New Starts	1	0	0	3	4	1	6 (audited)	4	0	11	13	27 (refused to provide supporting evidence)	2	13	55
Funding Facilitated	0	0	0	\$250k	\$250k	0	0	0	0	0	\$240k	\$157k	\$54k	176k	\$627k
Trainings	0	0	0	0	0	0	0	4	0	4	2	1	0	1	4
Contracts Facilitated	12 / \$9.15	3 / \$16k	5 / \$267k	0	20 contracts \$9.45 million	0	0	0	0	0	0	0	0	0	0
Education Course Students (continuing classes)	0	0	0	0	0 Veterans Students	0	0	61	0	61 Veterans Students	0	0	51	130	181 Veterans Students
Outreach TAP/Seminars/Workshops Attendees	0	0	49	127	176 Veteran Attendees	0	0	348	0	348 Veteran Attendees	74	88	164	178	504 Veteran Attendees
Attendee Hours in TAP/Sem./Wksh.	0	0	96	244	340 Hours	0	0	696	0	696 Hours	74	88	164	178	504 Hours

	Funding Disbursements	1 st Q.	1 st Q. TOTAL	2 nd Q.	2 nd Q. TOTAL	3 rd Q.	3 rd Q. TOTAL	4 th Q.	YTD TOTAL
Flint	FY 2007 non competitive transition grant \$140k FY 2006 funding \$160k	\$31,250	\$31,250	\$36,250	\$67,500	\$36,250	\$103,750	\$36,250	\$143,000
Boston	FY 2007 non competitive transition grant \$180k FY 2006 funding \$225k	\$31,250	\$31,250	\$49,500	\$80,750	\$47,283	\$128,033	\$49,284	\$180,000
St. Louis	FY 2007 non competitive transition grant \$140k FY 2006 funding \$160k Outreach grant \$10k	\$31,250	\$31,250	\$36,250	\$67,500	\$36,250	\$103,750	\$36,250	\$143,000

In addition to the states just mentioned, TVC spent \$1,248,901 on program dollars for counseling and guidance by TVC National office staff to Veterans on access to capital, surety bonding, and many other aspects in starting or growing a business in all 50 states through phone calls or email detailed in the charts earlier in my testimony. TVC national staff also participated in or directed programs in these additional states of AL, CO, DC, LA, MD, NC, NJ, NM, NV, TX, WA

Mr. Chairman and members of the Committee, in FY 2007, TVC made tremendous strides in providing the tools and resources necessary for Veterans, Service-Disabled Veterans, members of the Guard and Reserve and their family members to be successful in business. In FY 2007 TVC continued this trend by creating programs that provided access to the most sought after resources for Veteran and Service-Disabled Veteran owned businesses: capital and bonding. TVC also expanded its education and training



Veteranscorp.org

offerings by forming partnerships with such groups as the Owner Operator Independent Drivers Association that provides Veterans with an outlet to start their own trucking business and with VetBizNetwork.net which provides Veteran and Service-Disabled Veteran contractors access to greater teaming opportunities.

Despite the expansion of programs and outreach that TVC has demonstrated over the last year, Mr. Chairman, a very serious issue must be addressed regarding TVC's Veteran Business Resource Centers. While TVC has opened four Veteran Business Resource Centers over the past three years, all face similar issues to those that TVC faces nationally in terms of raising private funds and, subsequently, limiting their services because of undercapitalized budgets. We have shared realistic budget figures of \$250,000 to \$500,000 per VBRC site with Hill staff. Multiply the lower figure, TVC would need \$12,500,000; with the higher figure \$25,000,000.

TVC's primary concern is that some members of Congress would force us to open centers that we cannot fund and would serve only a small number of Veterans within a two hour drive time of any particular location. TVC believes that, in this 21st century environment, a combination of face-to-face services, along with online and distance learning will serve the largest number of Veterans needing and wanting TVC's services in all fifty states. P.L. 106-50, as it was originally envisioned to create and maintain a national network of VBRCs cannot be implemented with limited resources and more importantly is not the most efficient way to reach a large number of Veterans.

With \$3.2 - \$6.7 million a year, however, TVC can serve as a catalyst, facilitator, clearinghouse and funder of a national/local set of programs and services, serving Veterans in all fifty states. This will be achieved through partnerships with Veteran Service Organizations, The Surety and Fidelity Association of America, the National Economic Opportunity Fund, SBDC's, PTAC's, DOL One Stop Centers, SCORE, SBA, VA, DoD, Congress and the White House. With sufficient funding, we can operate 21st century online and distance learning programs to serve Veterans everywhere.

Mr. Chairman and members of the Committee, we do have some exciting news that we want to share regarding program funding in FY' 08 that we were able to achieve despite our limited dollars. In the fall of 2006 TVC set in place a competitive grants program to reach as many Veterans as possible in all fifty states. In the summer of 2007, TVC released the RFP for competitive grants commencing October 1, 2007. By November 1, 2007, TVC had received nearly \$2 million in grant applications from organizations in 22 states – organizations that were already in place and serving Veterans who want to start and grow a business.

In FY'08, with reduced dollars from Congress, TVC has been able to award 8 grants totaling \$329,000. In the category of entrepreneurial education and counseling, The Veterans Corporation awarded \$67,500 to the Veterans Advocacy Foundation in St. Louis, MO, for their program entitled Bootstraps; \$30,000 was awarded to the Seattle Business Assistance Center in Seattle, WA, for their program entitled VOTE (Veterans Outreach for Training and Education); and \$30,000 was awarded to Jewish Vocational Service in Boston, MA, for their Entrepreneurial Training Program.



To specifically serve the Service-Disabled Veteran community with entrepreneurial education, outreach, and resources, The Veterans Corporation awarded \$37,500 to the Technological and Research Development Authority in Melbourne, FL, for their project entitled the Florida Disabled Veterans Business Initiative; \$25,000 was awarded to the Whitman School of Management at Syracuse University in Syracuse, NY, for the Entrepreneurship Bootcamp for Veterans with Disabilities University Consortium; and \$35,000 was awarded to Able-Disabled Advocacy, Inc. in San Diego, CA for their program entitled BusinesSense.

Lastly, to foster entrepreneurship in the Veteran community through outreach and business planning, The Veterans Corporation awarded \$67,500 to VetBiz Central in Flint, MI, for outreach, and awarded \$36,500 to the Jewish Vocational Service and Employment Center in Chicago, IL, for Veterans Basic Business Training. In addition, TVC has funded St. Louis with an \$8,000 grant for a Bootstraps program, and the New England Veteran Homeless Shelter with a \$10,000 grant plus computer equipment.

Mr. Chairman, as TVC finishes the 2nd quarter of FY 2008, it can take pride not only in the remarkable growth in programs and services it provides the entire Veteran urban and rural community in all fifty states, but more importantly the Veteran and Service-Disabled Veteran business owners that have turned their dreams into reality with the opportunity TVC continues to provide.

We would like to take this opportunity to thank the House of Representatives, especially Chairman Mollohan of West Virginia and Ranking Member Frelinghuysen of New Jersey. These two House members led the fight in the House Appropriations Committee last summer and fall to fully fund TVC at \$2.5 million. We also thank Representative Shelly Moore Capito of West Virginia, and you Chairman Shuler along with Subcommittee member Representative Gwen Moore of Wisconsin, who signed the Capito "Dear Colleague" letter last December urging the House to hold the line against Senate plans to zero out TVC. We appreciate your confidence in TVC programs and services, and Veterans like Trinity Cazzola and Joe Santiago thank you too.

Mr. Chairman, I would like to submit a copy of TVC's FY 2007 Annual Report, along with a copy of TVC's 2007 Annual Audit report. We hope you all agree that when Veterans succeed, America succeeds.

Thank you, and I will be happy to take any questions you or the Committee might have.





**Statement by Donald Wilson
President and CEO
Association of Small Business Development Centers**

**For a Hearing On SBA Entrepreneurial Development Programs
In the Subcommittee on Rural and Urban Entrepreneurship of the
U.S. House of Representatives Committee on Small Business**

March 12, 2008

Chairman Shuler, Ranking Member Fortenberry, and members of the subcommittee, my name is Donald Wilson. I am the President and CEO of the Association of Small Business Development Centers (ASBDC). We appreciate this subcommittee giving ASBDC the opportunity to present its views at this important hearing on the SBA's entrepreneurial development programs.

The association's members are the 63 State, Regional and Territorial SBDC programs that serve all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and American Samoa. The nationwide SBDC network is a partnership that includes Congress, SBA, the private sector, and the colleges, universities, community colleges and state and local governments that help fund and host SBDCs across the nation.

The SBDC network provides some form of management and technical assistance to an estimated 1.2 million small business owners and aspiring entrepreneurs each year. This includes counseling, training and informational exchanges. Small business owners and aspiring entrepreneurs can go to their local SBDCs for free, face-to-face business consulting and at-cost training on writing business plans, accessing capital, marketing, procurement assistance, human resource management, regulatory compliance, international trade, business valuation, overall financial management and more.

Chairman Shuler, ASBDC has been deeply appreciative of the leadership of the House Small Business Committee, Chairwoman Velazquez, for her concerted efforts in recent years to secure at least sufficient funding for the SBDC national program to keep pace with inflation. Her efforts last year, including her budget views and estimates letter advocating \$110 million for the SBDC national network, no doubt played an important role in the Congressional Budget Resolution proposing a funding level of \$110 million for the SBDC program. Through her efforts and the efforts of Chairman Kerry, Ranking Member Snowe, Chairman Serrano, Chairman Durbin and a majority in both Houses of Congress, the SBDC national program received a desperately needed funding increase for FY 2008 after years of essentially level or reduced funding. And last month, Chairwoman Velazquez urged the Budget Committee to provide a significant increase in SBDC funding for FY 2009. With her continued support, and hopefully that of this subcommittee and key appropriators, we are hopeful that

the loss of capacity that the network has experienced due to declining funding over the last seven years can be corrected

Let me elaborate for just a moment on what I mean by loss of capacity within the network. In 2001, the federal appropriation for the SBDC program was \$87,877,000. In 2007, the appropriation would have needed to be \$102,883,080 just to have kept pace with inflation. (In calculating that number the Department of Labor's Inflation Calculator was used.) Unfortunately, the appropriation level for FY 2007 was only \$87,863,292, less than the 2001 appropriation. The appropriation for FY 2008 fortunately was \$97.12 million. When these funds are ultimately distributed it will, for the most part, forestall additional center closings and additional pink slips for experienced and committed SBDC business consultants.

Regretfully, the Administration's budget for FY 2009 provides funding of only \$87.12 million for SBDCs. This is \$10 million less than Congress approved last December for SBDCs for FY 2008 when it passed and sent to the President the Consolidated Appropriations Act of 2008. Were Congress to accept the Administration's proposed FY 2008 budget figure for SBDCs, it would prove devastating to the SBDC national program and further reduce services available to our nation's small business owners at a time when our economy is likely contracting.

Let's put the Administration's budget proposal into perspective. Federal revenues increased by over 40 percent from 2003 to the end of 2007. During the same time period, appropriations for the SBDC program decreased. OMB was unable to find \$10 million in a \$3 trillion budget to sustain for FY 2009 the increase Congress gave the SBDC program for FY 2008 to help SBDCs begin to rebuild the decaying SBDC educational infrastructure. However, OMB apparently has had no problem finding \$42 million to cover the cost of sending letters to taxpayers and others to remind them that they are going to get a tax rebate later this year; information that has been on every news outlet for weeks.

In 2001, SBDCs nationwide provided one on one consulting services to 254,490 clients. Last year consulting services were provided to only 197,588 clients. We submit to you that this is not due to declining demand but declining capacity.

Let me put this declining capacity issue in even starker terms. The SBDC State Director in Georgia advises me that between 2001 and 2007 "we have closed three locations (one urban, two rural), dropped 4 business consultant positions, 4 economic development/business consultant positions (which focused on entrepreneurial activity primarily in rural areas), and eliminated our Associate State Director, Director of Continuing Education, and head of women's outreach"

The Wyoming State Director writes that in the Wyoming network, "We have gone from 22.5 FTE to 18.5 FTE."

The Kentucky SBDC State Director writes "Since 1999 Kentucky SBDC has lost 13 counselor positions. Our staff has gone from 47 to 34. No centers have been closed but circuit rides to rural areas have been cut by 30%."

The Oklahoma SBDC State Director advises that "Oklahoma has reduced staff by 15.5 FTE in the past 7 years and closed 2 centers.

The SBDC State Director in Washington State writes that "In 2001 SBA funding provided 20.17 FTE Consultants. In 2007 SBA funding provided 17.67 FTE Consultants
In 2001 we had 23 counseling centers supported with SBA funds. In 2007 we had 21 counseling centers supported by SBA funds

The Tennessee SBDC State Director advises that "Due to flat funding and resulting regressive budgets over the past several years, we have laid off nine SBDC employees and are now robbing our variable expense line items to cover the fixed expenses in the SBDC operations...it is just a matter of time before this budgeting strategy will no longer sustain the program."

The Nebraska SBDC State Director advises that, "The Nebraska Small Business Development Center program has experienced significant reductions in its delivery capacity since 2002. This has been caused by no increase in SBDC funding at the federal level. We have taken most of these reductions in the Omaha metropolitan area so as to maintain our delivery services in rural Nebraska (which is in a continuing declining economic condition)."

"Staff Reductions: Associate State Director (1.0 FTE) his position provided supervision, continuing training and resource development to our consulting staff statewide. We no longer have this capacity. - Omaha Center Director (1.0 FTE) We had two consulting centers in Omaha, one downtown and one in the suburban western portion of the metropolitan area. We closed the downtown center. We now provide services to the older sections of town through a graduate assistant who visits minority outreach programs (Omaha Community Development Corporation for the African-American community and the Juan Diego Center for the Hispanic community) one afternoon per week. - Omaha Consultants (1.5 FTE) We eliminated one full-time business finance consultant and one half-time market research consultant in Omaha. We now rely on one director for Omaha and four graduate-assistants. Support Staff (1.5 FTE)"

The State Director of New Hampshire writes: "We went from 6 centers to 3 and lost 1/2 our staff. Counselors -- 11 to 4."

These are the realities out in the states where ever rising SBDC operational expenses and declining federal appropriations have forced many SBDC state directors to downsize their operations at a time when more and more Americans appear to be looking to self-employment to sustain their families.

This subcommittee is familiar with the same economic headlines that I read every day. In January the economy lost 22,000 jobs. In February the economy lost another 63,000. The private sector lost 101,000 jobs in February, the biggest drop in five years. Retail stores shed 34,000 jobs, while the manufacturing sector lost 52,000 workers and construction firm payrolls shrank by 39,000 jobs. Indeed, the Bureau of Labor Statistic's household survey showed 255,000 fewer Americans with jobs last month than in January. According to data released last week by the Federal Reserve, net household wealth declined by \$900 billion in the fourth quarter.

I do not know whether we are in a recession and we will not officially know for a few more months. However, for those Americans who have given up looking for a job, I am sure it feels like a recession. If history is prologue, a meaningful number of those who have quit looking for work will begin to look to self employment to provide for themselves and their families.

One thing we know, the current credit crunch is worsening. Many small business owners and aspiring small business owners who may have been looking to a home equity line as a source of credit have seen that avenue close. Credit card lenders are tightening borrowing requirements and raising interest rates. Bank lending requirements have tightened significantly.

Consumer spending was essentially flat in January when adjusted for inflation. Energy costs are skyrocketing. Small business confidence dropped very sharply in the last quarter according to the Small Business Research Board.

If jobless rates increase, and I fear they will, it is almost inevitable that foreclosure rates will increase. If we are interested in staunching the anticipated rise in unemployment, all of us need to focus on helping the small business sector of our economy which for years has been responsible for the majority of net new jobs in our economy.

Millions of small business owners have never experienced the economic conditions we are now facing and will likely face in the months ahead. Millions of small businesses have only known a growing economy such as we have had for the last five years. It is not unlike a stock broker who has never known a bear market. With declining business confidence, tight credit, flat consumer spending, rising inventories and rising inflation and rising energy prices, we could be headed into the proverbial "perfect storm" in the small business sector of the economy.

The big question is, what kind of management decisions will these small business owners make in an economic and business environment with which they are unfamiliar? Dun and Bradstreet data suggests that the major reason small businesses fail is bad management decisions. Millions of small business owners have had no business management education at all.

As conditions worsen many small business owners will begin to seek advice and assistance from the very management and technical assistance programs that are struggling with declining service capacity due to years of flat or declining funding that has not kept pace with inflation.

Many of the small business owners who may face the most difficult prospects in a rapidly deteriorating economy are women business owners and minority business owners. SBDCs have been actively engaged in successful outreach to these segments of the small business economy for years and have earned the trust of women and minorities over the past quarter of a century. Forty percent of SBDC clients are women. This compares favorably to the one-third of small business owners who are women. Thirty-one percent of SBDC consulting clients are minorities, once again exceeding the percentage of business owners who are minorities.

The issue that ASBDC is most concerned about is, when a small business owner seeks assistance, will the SBDC infrastructure have the capacity to meet demand? As policy makers you have to decide whether small business management assistance should be a higher public policy priority.

The most recent study of the economic impact of SBDC services provides numbers that ASBDC believes justify an increased investment in SBDC management and technical assistance. In 2006, the nationwide SBDC network helped in-depth small business clients (that is, clients who received five or more hours of SBDC consulting during the year) to:

- **create 67,233 new full time jobs;**
- **save an additional 76,820 jobs;**
- **generate nearly \$6 billion in new sales;**
- **preserve approximately \$7 billion in sales;**
- **obtain nearly \$3.4 billion in financing; and,**
- **generate approximately \$201 million in new Federal revenues as a result direct economic growth generated by SBDC clients.**

These are not numbers calculated by SBDC counselors. These are numbers extrapolated from survey responses provided by SBDC clients themselves in a confidential survey of all in depth SBDC clients conducted by Dr. James Chrisman of Mississippi State University. The survey data are generated from figures clients themselves directly attribute to the assistance received from their local SBDC.

I urge members of the subcommittee to review closely the numbers above. As a result of a modest federal investment of approximately \$88 million in management and technical assistance, SBDC in depth clients generated an estimated \$200 million in additional Federal revenue due to increased economic activity that the small business owner attributed to SBDC assistance. That is approximately \$2.28 in revenue for every federal dollar appropriated. Most of us, if we found a mutual fund or stock with that rate of return, would readily invest in it.

Moreover, SBDC in depth clients attributed an estimated 67,000 new jobs to the SBDC assistance they received. That works out to a cost of just over \$1,300 per job created. If you will check out other federal job creation programs, I do not think you will find very many that compare on a cost per job created basis.

Chairman Shuler, last Fall ASBDC's Board Chair Jody Keenan, State Director of the Virginia SBDC testified before the full House Small Business Committee. At that time she expressed deep concern regarding the potential impact a myriad of newly proposed SBDC grant programs might have on the capacity of the network. At that time some Congressional staff felt our concerns were not well founded or were being adequately addressed.

In December, President Bush signed into law HR 6, the Energy Independence and Security Act of 2007. In February of this year the President signed into law HR 4253, The Military Reservist and Veteran Small Business Reauthorization and Opportunity Act. Both of these bills authorized new grant programs for SBDCs to enhance services in narrowly defined areas specifically veterans services and energy efficiency services. Please note that, traditionally, SBDCs have served between 50,000 and 60,000 self-declared veterans annually.

ASBDC staff and officers had discussed these and other recently proposed grant programs with numerous Hill staff. We were concerned that already scarce resources available for basic SBDC programs would be diverted to new programs which could prove costly to compete for while possibly creating grant management burdens for SBDC host educational institutions. Repeatedly, we were assured that funding for these new grant programs was not intended to come out of what is now commonly referred to as SBDC core funding. Core funding is that which is fairly distributed to the states on a population based formula for the network's historical congressionally mandated mission.

Section 1203 of HR 6 contains explicit language ostensibly designed to protect SBDC core funding. That language reads as follows: Subject to amounts approved in advance in appropriations Acts and separate from amounts approved to carry out section 21(a)(1) of the Small Business Act (15 U.S.C. 648 (a)(1), the administrator may make grants or enter into cooperative agreements to carry out this subsection." Unfortunately, many congressional staffers and legal counsel at the SBA now concede that the language intended to protect the \$97.12 million appropriated may not have been sufficiently drawn to provide the protection we had been advised that Congress intended.

Section 104 of HR 4253 contains similar but less restrictive language, specifically "(4) Funding – Subject to amounts approved in advance in appropriations Acts, the Administration may make grants or enter into cooperative agreements to carry out the provisions of this subsection."

ASBDC received assurances from various congressional staff that the language immediately above was designed to prevent dollars appropriated for the traditional SBDC program from being utilized for the new grant programs. Unfortunately, it now appears the intended protections were not achieved.

Chairwoman Velazquez's Budget Views and Estimates letter asked for \$140 million in funding for the SBDC national program for FY 2009. ASBDC is extremely appreciative of the confidence in the SBDC program that letter reflects. ASBDC believes that the interest of all small businesses can best be

served by restoring the SBDC program to its former funding level in inflation adjusted dollars and, ideally, achieving the program's authorized level. We believe this should occur before funding new grant programs that could impose significant new costs in applying for grants and potentially increased costs in grant management both on the SBA and on the host institutions who are grant recipients.

The SBDC grants in HR 4253 are an excellent case in point. Many appropriators apparently believed in December that they were providing \$97.12 million for the SBDC core program, not counting, of course, the funds for the DETA program, portability grants and historical funding for the SBDC accreditation program, SBDC Net and the SBA's SBDC Advisory Committee. Indeed, when the Consolidated Appropriations Act of 2008 was approved in December, appropriators could not have believed they were funding the Section 104 grants because HR 4253 had not even been approved by Congress.

The reality is that in order to fund the new HR 4253, Section 104 grants, every SBDC will lose some of its base program funding. As a result, many SBDCs may be forced to reduce their veterans outreach activities to enable a few states, (the Section 104 grant winners) to expand their veterans programs. This is in effect a zero sum game, with some SBDCs benefiting to the detriment of others. We do not see how it enhances the well being of the nation's veteran business owners to enhance services for veteran business owners in a few states while potentially reducing similar services in dozens of other states.

ASBDC is eager to work constructively with this sub-committee, the full House Small Business Committee, the Senate Small Business Committee and the Financial Services Subcommittees in both the House and Senate to try and address in an effective way what we believe to be unintended consequences flowing from the passage of the new grants programs contained in HR 6 and HR 4253. Moreover, with numerous other proposed new SBDC grants programs now pending before Congress, we foresee the possibility of unintended adverse consequences increasing almost exponentially.

We understand that resources for the SBDC program face budget and economic constraints. Under such circumstances, it would indeed be unfortunate if Congress's well intended efforts to try and better serve certain sectors of the small business community resulted in a depletion of the resources available to serve a broader spectrum of small business owners in need of management and technical assistance. Forcing SBDCs to compete against each other for narrowly drawn grants programs in an era of scarce resources while reducing funds for proven core services, and further burdening the grants management offices of SBDC host institutions, could potentially reduce the enthusiasm our hosts have for the program. This could be especially true for those hosts who, for one reason or the other, fail to compete successfully under a regimen of new grants initiatives that, by their very nature, offer no real financial stability to an SBDC program.

ASBDC believes more can be done for specific small business constituencies and that with enhanced resources new and more innovative approaches for addressing small business needs can and will be developed by individual SBDCs. ASBDC and its members are eager to launch new and innovative programs if the overall dollars available for SBDCs expands and the traditional programs which have proven so successful are not diminished.

We are eager to enhance the quality and quantity of our service offerings and look forward to working with this subcommittee, the full House Small Business Committee and the SBA to strengthen and improve a program that has well served the small business community, the economy and the taxpaying public for over a quarter of a century.

Let me say in closing that ASBDC has had a significantly improved relationship in recent years with SBA in its oversight role for the SBDC program. The Office of SBDCs, headed by Antonio Doss, has been increasingly open to consideration of the views of ASBDC's members. Negotiations on the annual Program Announcement have been increasingly more open, candid, and constructive, even when we disagree. Associate Administrator Anoop Prakash and his predecessor, Cheryl Mills, have been readily accessible, as has Deputy Administrator Carranza. This is a tone I believe that is set from the top by Administrator Preston. These officials have met frequently with the Association's leadership to better understand the grant recipient's perspective. ASBDC's Board Chair and I met as recently as last week for over two hours with Associate Administrator Prakash. We certainly do not always agree. However, discussions are carried on at levels where issues can usually be amicably resolved. Furthermore, there is a concerted effort by both sides to keep in mind that the focus must always be on the best interest of the small business client that Congress intends us to serve.

Again, Chairman Shuler, I would like to thank you and this subcommittee for allowing me to present the association's views today. At this time, I would be pleased to respond to any questions that you or other members of the subcommittee may have.



STATEMENT RELATED TO U.S. WOMEN'S BUSINESS CENTERS

SUBMITTED TO THE
U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON SMALL BUSINESS
SUBCOMMITTEE ON RURAL AND URBAN ENTREPRENEURSHIP
Wednesday March 12, 2008

To the Honorable Nydia M. Velazquez Chairwoman, Honorable Steve Chabot, Ranking Member and other members of the House Committee on Small Business:

My name is Melinda Rath Sanderson, and I am honored to lead the Canisius College Women's Business Center in Buffalo, New York as the Executive Director, and it is my pleasure to serve as the Chair of the Public Policy Committee of the Association of Women's Business Centers, the national association which supports the 99 federally funded Centers.

The Association of Women's Business Centers (AWBC) is a national not-for-profit organization representing women's business centers and the women and men they serve. The AWBC was founded in 1998 to support entrepreneurial development among women as a way to achieve self-sufficiency, to create wealth and to expand participation in community economic development through educational training, technical assistance, mentoring, development and financing opportunities. **The vision** of AWBC is a world where economic justice, wealth and well-being are realized through the collective leadership and power of successful entrepreneurial women.

The mission of the AWBC is to develop and strengthen a global network of women's business centers to advance the growth and success of women business owners. The AWBC builds the capacity of women's business centers, develops public and private resources to support member centers, advocates on behalf of women's business centers and women business owners and otherwise promotes women's business development nationally and internationally.

The Canisius College Women's Business Center was established in 2003 in partnership with the SBA. Canisius College is a private Jesuit institution of higher education founded in 1870 whose **mission** is to espouse the ideal of academic excellence along with a sense of responsibility to use one's gifts for the service of others and the benefit of society. It seeks to promote the intellectual and ethical life of its students, helping to prepare them for productive careers as well as for meaningful personal lives and positive contributions to human progress. **The mission** of the Women's Business Center is to provide entrepreneurs and small business owners, with a focus on women, the critical skills, knowledge, tools and support network to increase their success and positively impact the economic development in their communities. **The vision** of the Canisius College Women's Business Center is to be recognized as a national leader in women's entrepreneurship whose purpose is to accelerate the success of women business owners and women in business. It seeks to create economic opportunities for women through entrepreneurship and to help all women realize their greatest potential. For more than four years the Canisius College Women's Business Center has been proud to serve over 8,000 program participants with significant economic outcomes. Our program and service delivery model focuses on the four core areas of training, counseling, coaching and networking.

Jennifer is the president of a family-owned business who has been struggling to expand into new markets. Before coming to the Women's Business Center, she sought help from a variety of different organizations but

felt that no one truly understood her needs or provided her the support she was seeking as a woman owned business. When she came to the Women's Business Center, she faced difficulties with managing the procurement and government contracting process, finding funding alternatives, and addressing human resource and technology issues. With the support and guidance of the Women's Business Center, Jennifer's business is growing and receiving the recognition it deserves. She participates in many WBC programs, including a one-on-one business coaching program, training classes and networking groups. Combined with the tools and support networks of the Women's Business Center, Jennifer's hard work is finally beginning to pay off. She was recently featured in an article documenting the launch of her newest product and continues to grow and fulfill her business goals.

I am honored to be invited to testify in this Committee hearing and to provide insight into the SBA Entrepreneurial Development programs, specifically the Women's Business Center program. My comments are from the perspective of a practitioner in the field as a Center Director, as well as a board member of the Association of Women's Business Centers.

We are grateful for the leadership's support for the WBC program and the permanent funding legislation which has made and will continue to make significant differences in the lives of women in the United States.

As you know, the Women's Business Center program has been an important part of the SBA's entrepreneurial development assistance efforts since its establishment in 1989, after the passage of H.R. 5050: The Women's Business Ownership Act of 1988. The program has grown significantly from its original 4 "demonstration sites" in the first year.

Collectively, Women's Business Centers have a remarkable record of achievement over the past 18 years, including impressive results in recent years as the program has matured. Currently, the Women's Business Centers provide entrepreneurial assistance in training and counseling to over 150,000 men and women annually. Of this, approximately 46-52 % annually are socio economically disadvantaged, as defined by the SBA. Furthermore, results from a 2004 National Women's Business Council research study shows a 13 to 1 return on investment on our federal dollars. Economic impact data collected and tracked annually for the WBC program include: jobs created, access to capital and new businesses formed.

We were asked to specifically address the following three SBA areas:

1. The ED portfolio and the capacity to meet the needs
2. The oversight efforts and distribution of Federal resources
3. Recommendations for improving the structure and delivery of the WBC program.

1. Evaluate the ED portfolio and the capacity to meet the needs

The ED portfolio includes the following:

- SBDC, SCORE, WBC (resource partners)
- Technical assistance between capital assess with community express and micro lending
- On line training and the Office of business and community initiatives

In my opinion, the ED programs have been unable to keep pace with the needs. Specifically, the needs for existing small businesses that need help to sustain and grow. Our organizational model includes a core value of collaboration with resource partners to avoid duplication of existing assistance providers or programs. These

cooperative efforts have allowed us to focus on the unmet needs of small businesses; however, it is difficult to keep pace with the growth rate of the needs. Simply stated, the demand for WBC services outpaces the available supply.

Demand for WBC services has grown between 2001 and 2003 alone, the number served *nearly* doubled (a 91% increase) and the number of new firms created by WBCs increased by 376%. Program wide, the number of clients served has increased from 106,000 in 2003 to 144,000 in 2006: a 36% increase. This steady increase in clients has occurred even as funding remained flat during that time period.

2. The SBA's oversight efforts and distribution of Federal resources

The relationship between Women's Business Centers and the SBA is the strongest it has been since my involvement due to solid communication efforts, and a commitment to quality and process improvement at all levels

Distribution of resources (or payment processing) has improved significantly with the implementation of a best practice payment model (HHS). This new model will allow for advance payment of the funds rather than the current system of reimbursement requests, a system that has led to excessive time delays in the past.

There still seems to be some confusion and misunderstanding of performance criteria, expectations and the evaluation process. Milestone projections and economic impact goals are outlined in the grant application process; however, formal feedback or process improvement suggestions are not part of the process.

It is critical that the funding Allocation process continues to be clear, consistent and transparent.

3. Recommendations to improve the structure and delivery of the program.

The Canisius College WBC model is one which focuses on sustainability and the leverage of resources. This has allowed our program to provide significant outcomes and impact. Our public/private partnership is focused on women at all levels, from start-ups to existing businesses with growth-oriented goals. Our strategy for sustainability focuses on new and existing women-owned businesses, including socio-economically disadvantaged women who are struggling to sustain or grow their businesses.

Some additional recommendations for improvement based on successful models in different parts of the nation, including urban and rural areas, may help to provide more significant economic development impact in the communities in which they serve.

We collaborate with other SBA resource partners: SBDC and SCORE who focus on very early stage business development. Our weekly counseling sessions are led by both SBDC and SCORE representatives. In addition the WBC staff provides an orientation and recommendation for next best steps based on an assessment of the client's business goals. Often, the clients do not have a business plan and are in need of funding. Lending institutions representatives are also available to answer questions and to provide guidance.

The city of Buffalo acts as a micro lending arm of the SBA to provide an entrepreneurial assistance program. This program is housed in one of our 25 computer technology labs. This has allowed us to target special markets and levels for programming.

Relative to potential structure recommendations, each District offices could convene with the resource partners on a quality basis for updates and information sharing.

A better depth of collaboration and connectivity could exist between ED and capital access and procurement assistance areas. With an active and involved role in reaching out to those women owned businesses who already have a relationship with the SBA via 7a or 504 lending clients or 8a certification, a stronger role and relationship could provide a higher amount of significant outcome. There should be a stronger relationship between the lending function of the SBA and the technical assistance resource partners. This would allow small business clients to get the critical help they need after completion of the business plan and funding is in place.

The Board of directors for WBC's should be made up of 10 key decision makers who can advise and possibly fund the centers via sponsorships.

We should create strategic partnerships with other community providers of assistance to provide access to training scholarships to WBC programs. This would specifically encourage service for low-income women who are struggling to become economically self-sufficient

The Women's Business Center program should be recognized as an economic development program and not a social service program. This is critical to the delivery of outcomes and results as well as the ability of the program to attract additional resources.

Focus on the building of core business management skills.

We thank the members of the House Committee on Small Business for your support of the Women's Business Center program and for all your efforts in assisting women's enterprise development. Additionally, we appreciate your support for the National Women's Business Council and for increasing access to Federal procurement opportunities to women-owned firms.

We look forward to continuing our work with you to increase the economic and social contributions of this Nation's estimated 10.4 million women-owned enterprises, and to the countless others that are on the drawing board, awaiting support and assistance from Women's Business Centers to move forward.

Respectfully submitted for the record:

Monday March 10, 2008

By: Melinda Rath Sanderson,
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**W. Kenneth Yancey, Jr.
Chief Executive Officer
SCORE “Counselors to
America’s Small Business”**

**Statement
to the
U.S. House Small Business Committee,
Subcommittee on Rural and Urban Entrepreneurship
U.S. House of Representatives
March 12, 2008**

Chairman Shuler and members of the subcommittee: my name is Ken Yancey and I am the chief executive officer of SCORE, the Service Corps of Retired Executives, also known as the “Counselors to America’s Small Business.”

Thank you for the opportunity to offer this testimony. SCORE provides free counseling and low-cost workshops that help hundreds of thousands of entrepreneurs each year live their dreams of small business success. Congressional support of SCORE, which is headquartered in Herndon, Va., makes this possible.

I offer testimony on the U.S. Small Business Administration (SBA) Entrepreneurial Development Programs, including SCORE, and the fiscal year 2009 budget. I am here on behalf of the more than 10,500 SCORE counselors who donate their time and talent to serve America’s entrepreneurs. Since its founding in 1964, SCORE has helped nearly 8 million businesses from idea to start-up to success.

SCORE’s primary product is the knowledge and wisdom of its volunteers who collectively represent more than 300,000 years of business expertise. SCORE volunteers donated more than 1.1 million hours of service to America’s existing and aspiring entrepreneurs in fiscal year 2007. At a discounted hourly consultant fee of \$100, these services would have cost small business owners more than \$100 million dollars. With a current appropriation of just under \$5 million, SCORE is a great return on investment for the Federal government.

By helping small businesses succeed, SCORE supports job creation in communities nationwide. According to the February 2006 Impact Study of SBA Entrepreneurial Resources, SCORE helped create more than 25,000 new jobs nationwide in 2004, or one for every seven new clients.

SCORE Represents Diverse Communities

Today's SCORE volunteers increasingly reflect the communities they serve. SCORE includes 25 percent women and minority volunteers, achieving the goal set by us, the SBA and the House Small Business Committee. The SCORE Board includes 50 percent women and minority directors. Although the SBA does not require SBDC and Women's Business Centers to report their counselor diversity numbers, we believe that SCORE offers the most diverse counselors out of all the Entrepreneurial Development (ED) programs offered by the SBA.

SCORE's clients are representative of the diversity of business owners in the United States. A comparison of 2002 U.S. Census data for business owners and the SBA impact study shows the following results:

African-American Business-owned firms	5 percent
SCORE African-American clients	15 percent
Hispanic/Latino-owned firms	7 percent
SCORE Hispanic/Latino clients	7 percent
Asian-American-owned firms	5 percent
SCORE Asian-American clients	4 percent
Women-owned firms	28 percent
Women SCORE clients	46 percent
Veteran SCORE clients	10 percent

SCORE continues to work diligently to increase our level of counselor diversity, which will assist us in our efforts to serve the increasing diversity of our client base.

SCORE also offers business advice for the nonprofit and faith-based communities. As part of its efforts to help nonprofits grow, a team of SCORE counselors worked with the W. K. Kellogg Foundation, plus materials from Executive Coaches of Orange County, Calif., to develop a workshop for nonprofits that need help expanding their services. The goal of the workshop is to teach nonprofits how to develop funding resources to become more sustainable.

The workshop is available at SCORE chapters nationwide, along with a resource workbook and presenter's guide. The resource workbook, which was funded by the W. K. Kellogg Foundation in cooperation with several organizations, includes valuable planning tools and financial advice to help nonprofits grow. SCORE also provided resources and advice as part of the White House Faith-Based and Community Initiative.

SCORE Offers Online Resources & Advice

In addition to free face-to-face counseling and low-cost workshops at local chapters, SCORE offers free online information on how to start, manage and grow a business. The SCORE Small Business Web Site is often the first place that entrepreneurs seek information about SCORE. Last year, more than 2.6 million people visited www.score.org, up from 405,000 people in the year 2000. SCORE's 1,200 online counselors provide expert advice in more than 600 business areas, and last year they conducted nearly 119,000 email sessions. SCORE provides updated online resources to meet today's challenges.

SCORE added a section to the Web site specifically for minority entrepreneurs at www.score.org/minority.html. It offers articles, resources and statistics on the growing number of African-American, Hispanic, Asian and Native American entrepreneurs. SCORE offers Spanish-language materials at www.score.org/hispanic.html and www.score.org/guides.html. SCORE also provides information, articles and business research for women, manufacturers, baby boomers and young entrepreneurs

SCORE is committed to helping small business owners with disaster preparedness and relief. Many SCORE counselors have disaster recovery experience, and they are available to share their advice. SCORE offers learning guides and business tools online at www.score.org/disaster_preparedness.html, including links to SBA Disaster Loan Assistance, the FEMA Application for Assistance and SCORE's email counseling. Last year, SCORE and HP launched a series of 11 free disaster preparedness workshops nationwide. At these workshops, nearly 900 business owners have gained insight into the steps they can take to keep their business safe, along with simple solutions for protecting core assets, such as customer records, accounting systems, technology, records and databases. An additional 16 workshops will be held in cities across America this year.

Veterans Can Succeed with SCORE

Men and women serving in the U.S. Armed Forces can count on SCORE for business mentoring and advice. After returning from duty, veterans face a unique challenge: to join, or sometimes rejoin, a competitive job market. For some of them, starting a small business is an attractive option, especially if they had previous business experience or acquired entrepreneurial skills.

For veterans who owned a business before being called into service, SCORE can help with marketing, business recovery and other plans to re-establish and grow the business. SCORE counselors also offer advice on business readiness plans, emergency loan applications and other business issues. SCORE counselors can provide assistance for the new SBA Patriot Express Pilot Loan Initiative, which offers loans to help start or grow a small business.

SCORE works with The Veterans Corporation to offer online business mentoring to disabled veterans as part of the Disabled Veterans Entrepreneurship Training Solutions

(D-VETS) program. Veterans also can get help online at www.buzgate.org. This is a search portal to find SCORE offices, SBDC and Women's Business Centers by utilizing a free, Web-based mentoring platform.

Many SCORE offices have established programs or outreach specifically for veterans, National Guard and Reservists. These include:

- California SCORE chapters teamed up with the California National Guard to offer business mentoring and workshops.
- Bucks County SCORE offers the “Welcome Home Vets” program, which assists returning troops with starting a new business or reviving a current one. The free services are also available for spouses of returning veterans.
- Rapid City SCORE worked with the Ellsworth Air Force Base to provide a monthly workshop for airmen getting discharged or who are retiring.
- St. Paul SCORE offers free classes on building effective Web sites for veterans of the Iraq war.
- Buffalo Niagara SCORE waives workshop fees for veterans and members of the National Guard and Reserves.
- Brooklyn SCORE has made presentations to hundreds of veterans at Fort Hamilton Hospital in Brooklyn on how SCORE can help with business issues.

SCORE chapters often work with clients through the Transition Assistance Program (TAP). This program helps service members move from their military service to a civilian career, which can include starting a business. Some SCORE offices that participate in the program include:

- Washington, DC SCORE with the Washington Navy Yard
- Colorado Springs SCORE with the Peterson Air Force Base
- Waco SCORE with Fort Hood

SCORE volunteers, many of whom served in the military themselves, are proud to support the success of entrepreneurs in the military community.

SBA Adjusts SCORE’s Administrative Costs

Although SCORE appreciates the more than 40 years of partnership with the SBA, we remain concerned about several SBA practices and how they affect SCORE. This includes the SBA’s practice of assigning administrative costs to SCORE with no measurable or defined benefits. By working with SBA, the administrative resources that SBA assigns to its support of SCORE has declined from \$16.9 million in FY06 to \$10 million in FY08. While we believe this number is still too high, it better reflects the efficiency and value of SCORE’s operations. We continue to urge a full review of the SBA cost allocation process.

Even without direct additional funding, SCORE has continued to grow as an organization to better serve its clients. Today SCORE has 389 chapters with more than 800 additional

branches and continues to serve more clients. In fiscal year 2007, SCORE volunteers assisted nearly 340,000 individuals and provided almost 7,000 workshops on topics related to starting or growing a business. SCORE has increased its online counseling to 38 percent of total counseling; re-launched its award-winning Web site, www.score.org; developed and delivered annual leadership and training meetings; and took on a substantially increased administrative burden and cost at both the local and national level as a result of SBA's EDMIS implementation. SCORE pioneered small business counseling and training on its Web site and continues to add new resources and information. Despite being funded at nearly \$5 million since FY02, SCORE meets or exceeds its annual goal set by the SBA each year.

SBA Competes with SCORE's Services

While the SBA continues to allocate higher costs to SCORE, it also has entered into direct competition with the resource partners who are charged with providing business counseling and technical assistance on behalf of the SBA. The SBA's Small Business Training Network (SBTN) offers online workshops to existing and start-up entrepreneurs, which directly competes with SCORE, SBDC and Women's Business Centers training, both face-to-face and online. According to the SBA, they will invest \$309,000 in this training initiative this year, and they already invested more than \$600,000 the past two years. We believe that an investment of \$309,000 in any of the existing resource partners, who provide this service already, would be more efficient and produce results at a much lower cost. For example, SCORE offers more than 30 online workshops at a total cost to SCORE of less than \$10,000.

The SBA also requests funds for new programs that compete with SCORE and the other resource partners. For instance, the SBA has requested \$250,000 for inner-city counseling that would benefit just 250 people. This cost-per-client of \$1,000 greatly exceeds SCORE's cost-per-client of \$29. SCORE, SBDC and Women's Business Centers could easily provide these counseling services instead. The SBA administrator said in recent testimony before the Senate Small Business Committee that one of the SBA's goals is to provide more efficient and effective programs. Yet this request is another example of inefficiency and duplication of services on the part of the SBA.

SCORE Faces Funding Challenges

Although SCORE is not required by the SBA to do so, we are working diligently to increase nongovernmental funding. Last year, SCORE raised more than \$1 million in total contributions from corporate, foundation and volunteer sources. Most of these donated funds are restricted gifts for specific projects, and the funds cannot be used beyond their intended purpose. These include the HP disaster preparedness workshops I mentioned previously, as well as OPEN from American Express speed mentoring seminars being held in cities across the country.

The "Small Business Speed Coaching Test Drive" series offers exclusive, 30-minute, one-on-one evaluation sessions with experienced business coaches from SCORE. Small

business owners also attend interactive workshops focused on areas that directly affect small business growth. These one-day seminars have been held in Orlando, Phoenix and Atlanta, with additional ones scheduled for Chicago and Dallas / Ft. Worth. About 350 business owners have participated in each of these events, with 100 signing up for more SCORE mentoring in Phoenix alone.

Bank of America recently funded a reprint of the *Small Business Basics* workbook, available for free at SCORE offices nationwide, as well as a Spanish-language version of the workbook. More than 200,000 of these workbooks have been distributed to entrepreneurs since 2006. While all of these targeted donations have helped to fund local and national SCORE resources, they cannot go into SCORE's general fund and they cannot replace the dedicated appropriation we receive from Congress each year.

Nonprofits, including SCORE, are becoming more and more challenged by the lack of discretionary funds. While major corporations are interested in reaching out to entrepreneurs and small business owners through SCORE, they mainly provide funds for specific projects—not infrastructure, general support and organizational growth. As the *New York Times* noted on January 6:

“Critics say project-based funding allows grantees to collect only a fraction of their real overhead costs. According to “In Search of Impact,” a 2006 study of foundation grant-making practices from the Center for Effective Philanthropy, foundation chief executives will allow a nonprofit to add only 10 to 30 percent of direct project costs for overhead. Some refuse to provide any operational costs at all...In 2005, according to the Foundation Center, only 20 percent of grants from the largest private and community foundations were designated for general operating support.”

SCORE will continue to rely on the federal grant for operational funds. Congress set SCORE's annual funding level at \$5 million from FY02-FY07, although in some years, Congress mandated an across-the-board rescission of up to one percent that reduced the amount SCORE actually received. In FY08, Congress reduced SCORE's appropriation to \$4.95 million. Based on inflation, the \$5 million that SCORE was appropriated in FY02 has a purchasing power of about \$4.4 million today, or a decline of \$600,000. With a paid staff of just 15 people, SCORE's ability to generate additional funds is limited.

SCORE represents a great bargain and a great value for the federal government. According to the SBA Fiscal Year 2007 Annual Performance Report:

- SCORE assisted 336,411 small businesses and helped create 19,732 new small businesses last year.
- SBDC assisted 44,242 long-term clients and helped create 7,331 new small businesses last year.
- SCORE's cost to assist an individual business was \$29, while SBDC's was \$13,810 to help a start-up and \$2,288 to help a long-term client.
- Women's Business Centers' cost to assist an individual business was \$139.

These charts from the SBA's report illustrate the funding and cost comparisons between SCORE, SBDC and Women's Business Centers:

SCORE									
Performance Indicator	Type of Measure	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Goal	FY 2007 Actual	FY 2007 Variance	FY 2008 Goal	FY 2009 Goal
Small Businesses Assisted (#)	Output	466,152	403,724	308,710	325,389	336,411	3%	325,389	362,094
Small Businesses Created (#)	Outcome	N/A	N/A	N/A	Baseline	19,732	-	TBD	TBD
Cost Per Small Business Assisted (\$)	Efficiency	\$ 37	\$ 46	\$ 55	\$ -	\$ 29	-	\$ 31	\$ 28
Budgetary Resources		Budgetary Obligations Incurred					Budget Requests		
		FY 2004 Actual	FY 2005 Actual	FY 2006 Actual		FY 2007 Actual		FY 2008 Request	FY 2009 Request
Total Administrative Resources (\$000)		\$ 17,208	\$ 18,807	\$ 16,932		\$ 9,799		\$ 10,030	\$ 10,222
SBDC									
Performance Indicator	Type of Measure	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Goal	FY 2007 Actual	FY 2007 Variance	FY 2008 Goal	FY 2009 Goal
Long-term Clients Counseled (#)	Output	N/A	N/A	N/A	Baseline	44,242	-	45,026	55,000
Capital Infusion (\$ Billion)	Outcome	N/A	N/A	N/A	Baseline	3.4	-	2.5	2.5
Small Businesses Created (#)	Outcome	N/A	N/A	N/A	Baseline	7,331	-	13,145	13,145
Cost Per Small Business Created (\$)	Efficiency	N/A	N/A	N/A	Baseline	\$ 13,810	-	\$ 8,404	\$ 7,729
Cost Per Long-term Client Counseled (\$)	Efficiency	N/A	N/A	N/A	Baseline	\$ 2,288	-	\$ 2,453	\$ 1,847
Budgetary Resources		Budgetary Obligations Incurred					Budget Requests		
		FY 2004 Actual	FY 2005 Actual	FY 2006 Actual		FY 2007 Actual		FY 2008 Request	FY 2009 Request
Total Administrative Resources (\$000)		\$ 103,541	\$ 105,593	\$ 103,607		\$ 101,241		\$ 110,468	\$ 101,600
WBC									
Performance Indicator	Type of Measure	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Goal	FY 2007 Actual	FY 2007 Variance	FY 2008 Goal	FY 2009 Goal
Small Businesses Assisted (#)	Output	122,712	144,316	129,373	130,809	146,828	12%	134,733	135,000
Jobs Created/ Retained (#)	Outcome	7,921	9,442	6,879	6,879	N/A (1)	-	6,879	7,085
Small Businesses Created (#)	Outcome	N/A	N/A	N/A	Baseline	N/A (1)	-	TBD	TBD
Cost Per Small Business Assisted (\$)	Efficiency	\$ 177	\$ 163	\$ 170	\$ -	\$ 139	-	\$ 162	\$ 160
Cost Per Job Created/ Retained (\$)	Efficiency	\$ 2,736	\$ 2,496	\$ 3,203	\$ -	N/A (1)	-	\$ 3,176	\$ 3,049
Budgetary Resources		Budgetary Obligations Incurred					Budget Requests		
		FY 2004 Actual	FY 2005 Actual	FY 2006 Actual		FY 2007 Actual		FY 2008 Request	FY 2009 Request
Total Administrative Resources (\$000)		\$ 21,670	\$ 23,656	\$ 22,033		\$ 20,432		\$ 21,848	\$ 21,601

(1) Data will be available in February 2008.

Yet, while SCORE's appropriation has remained level at just under \$5 million, SBDC's appropriation has grown from \$88 million in FY02 to \$97 million last year, and the Women's Business Centers appropriation has increased from \$12 million to \$13 million.

All of the SBA resource partners—SCORE, SBDC and Women’s Business Centers—offer valuable training and assistance to help entrepreneurs succeed. SCORE continues to demonstrate its value in both cost and efficiency, and we also deserve an increased appropriation as authorized by the House Small Business Committee.

SCORE Requests Additional Support

To meet rising costs, expand services and modernize operations, we request that the subcommittee consider urging the House Appropriations Subcommittee on Financial Services and General Government to fully fund SCORE at \$7 million in FY09. Additional funding would allow SCORE to better serve our clients by:

- Developing a national recruiting plan to add new volunteers who represent a diverse range of communities;
- Opening more chapters and branches in previously underserved geographical areas, including inner-city and rural markets;
- Providing additional financial support to local SCORE offices to fund outreach campaigns and handle increased expenses since 2001;
- Using new technologies and the Internet to increase the efficiency and effectiveness of SCORE services.

With a higher level of funding from Congress, SCORE can offer more support to chapters and volunteers; provide mentoring and workshops to more clients; and support job creation in communities across the country. Our clients say it best.

Bill Rasmussen, a respiratory therapist in civilian life, got the idea for a medical product that would help speed care to victims of disaster situations when he was a corpsman with the U.S. Marines. He worked with a Cheyenne SCORE mentor via email while serving a one-year tour in Iraq in 2006. “SCORE Counselor David Sneed provided me and my business partner with the information we needed to develop our business plan while we continued to work on the product development and patents,” he says. “SCORE also put me in touch with Ed Crabtree, a patent attorney who provided us with information and documents to use to file a patent on our prototypes.”

Shannon and Fred Converse shared a passion for children and education, but neither had owned a business before. Shannon was an educator and Fred worked in the corporate world. Through face-to-face monthly meetings, Fairfield County SCORE helped them start My Tutor and Me, which offers private, in-home tutoring for public and private school K-12 students. “SCORE Counselor Ray Wolfe talked about the basics of creating a business plan, and also provided competitive research advice,” Shannon says. “He also referred us to other SCORE counselors for legal and accounting advice.”

Gene Davis learned about SCORE from the newspaper and decided to seek counseling to start a cleaning service. Chicago SCORE helped him create marketing materials and turn his disability, a major hearing impairment, into a positive selling point. “SCORE Counselor Elliot Shear is on my side and shows me how to run the business,” he says. “I

wanted to improve myself and my service, and SCORE has helped me do that. I feel like my business will only continue to grow.” Gene’s goals are to get more clients and hire other hearing-impaired African-Americans to help them become independent too.

Chairman Shuler and members of the subcommittee: that’s why we’re here—to help entrepreneurs reach for their dreams of success and strengthen the economy of our great nation, especially during a time of economic uncertainty. SCORE appreciates the support of this subcommittee and your personal support of SCORE.

I would be pleased to answer any questions you may have. Thank you again for this opportunity to testify.

Respectfully submitted,
W. Kenneth Yancey, Jr.
Chief Executive Officer
SCORE Association

**Subcommittee on Urban and Rural Entrepreneurship
Committee on Small Business
United States House of Representatives**

"Hearing on SBA's Entrepreneurial Development Programs"

**March 12, 2008
Testimony**

**Dale B. Carroll
President & CEO
Western N.C. Regional Economic Development Commission
AdvantageWest Economic Development Group
www.advantagewest.com
Headquarters at the Asheville Regional Airport**

My thanks to you Chairman Shuler and Ranking Member Fortenberry for the opportunity to testify again before your committee about the importance of entrepreneurial development in addressing today's increasingly challenging economic conditions in America. When I testified in mid-November I stressed the crucial roles USDA and SBA, including SBTDC play in economic development. As a veteran economic developer in N.C., I can reaffirm to you that all of these agencies, their field personnel and programs are well respected and make a difference. In keeping with today's hearing I will focus on SBA, including SBTDC, and give you an update on a new innovative approach to economic development in our country, the Certified Entrepreneurial CommunitySM program. Economic development organizations in seven states have contacted us at AdvantageWest about our newest program.

Over the last decade I have had the privilege of working as CEO of the AdvantageWest Economic Development Group which serves a 23-county region in the mountains of western North Carolina. Organizations like the International Economic Development Council and publications such as *Southern Business & Development* have recognized AdvantageWest for having one of the most diversified programs of work in the country. This includes our Blue Ridge Entrepreneurial Council division which launched the Certified Entrepreneurial CommunitySM program in 2007.

We currently have 14 leadership teams across WNC that have completed required Certified Entrepreneurial CommunitySM training provided by AdvantageWest through a nationally recognized leader in the area of entrepreneurship training, the RUPRI Center for Rural Entrepreneurship. These recent leadership graduates include 12-countywide teams from our common borders with northern Georgia and upstate South Carolina to the state lines we share with eastern Tennessee and southwestern Virginia. Leaders from the Eastern Band of the Cherokee Indian and the Town of Black Mountain round out the group of 14 teams who are now using our guidebook to pursue completion of a rigorous five-step checklist to become the first Certified Entrepreneurial CommunitySM areas in the country. The concept of certifying communities in a state of readiness with their business climate for supporting entrepreneurs and existing companies originated with AdvantageWest Chairman Tommy Jenkins who reflects the priority my entire board of directors place on entrepreneurship as a key part of our economic development infrastructure and policy for the future.

The Certified Entrepreneurial CommunitySM program requires each leadership team to not only map their local developmental assets; moreover, to improve access to service providers and capital for entrepreneurs, as well as established businesses. For this reason, AdvantageWest appreciates the spirit of your committee hearing today. As I mentioned earlier, SBA and SBTDC are well regarded in the AdvantageWest region. Your interest in how these agencies can maximize their effectiveness through high levels of service to entrepreneurs is a great example of the type of outcome we are striving for with the Certified Entrepreneurial CommunitySM program.

As a service provider SBA has a regional presence in Asheville and co-sponsors four Small Business & Technology Development Center (SBTDC) field offices located at Western Carolina University, Appalachian State University, Hickory and Asheville. As a former member of the SBTDC Statewide Advisory Board I can tell you it is not practical for this organization administered by NC State University as “NC’s Business & Technology Extension Service” to place an office in every community in any region. The same is true for AdvantageWest regional EDC staff and therein lies the point: the Certified Entrepreneurial CommunitySM program is a platform for delivering entrepreneurship at the local level. As a result, we can provide better access to the service providers, including their technical assistance and capital programs. Our business certification method requires communities to actively engage service providers like SBA for the benefit of the entrepreneur and business community. This includes a requirement to list the providers and their programs as resources

in brochures and on websites for the general public, including promotion through business coverage by the local media. This increased exposure is maximized through another requirement that the leadership team develop a Blue Ridge Entrepreneurial Council “Forum Series” to attract experts like SBA to make presentations and to foster networking with service providers like SBTDC.

The Certified Entrepreneurial CommunitySM is all about improving the business climate and making the community entrepreneur ready in both strategic and tactical ways. Let’s take a moment to consider a specific example. One of the most popular programs in our country for small businesses is the SBA 504 loan. By ensuring that this tool is even more readily available to entrepreneurs, as well as established companies, we have the potential to raise the effectiveness of this agency at the grassroots level. Moreover, leveraging the expert professionals at SBA and SBTDC to provide technical assistance to Certified Entrepreneurial CommunitySM leadership teams and their clients should lead to early success with this new program.

In closing, on behalf of AdvantageWest I wish to recommend to your committee and staff, as well as the leadership of SBA that you consider a pilot project with AdvantageWest when pursuing follow-up efforts related to strengthening support of entrepreneurship. The fourteen communities in the AdvantageWest region that are currently pursuing the Certified Entrepreneurial CommunitySM designation offer a great opportunity for you to test market any new and expanded approaches by SBA. Thank you. I welcome your questions.

The Honorable Heath Shuler
Chair
Subcommittee on Rural and Urban Entrepreneurship
2361 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Shuler,

It has been brought to my attention that the Small Business Subcommittee on Urban and Rural Entrepreneurship will be holding a hearing on Wednesday, March 12th at 10:00 AM on "Oversight of the Entrepreneurial Development Programs Implemented by the Small Business Administration and National Veterans Business Development Corporation." This topic is of deep concern to me as the Veterans Business Resource Center in my district is in jeopardy of closing.

I respectfully request that this letter, along with the attached article be submitted for the Committee Record.

Dale E. Kildee, M.C.



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For Release:
10 a.m. March 4

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**Funding Cut Puts Michigan's only
Veterans Business Resource Center in Jeopardy**

FLINT – VetBizCentral, Michigan's only Veterans Business Resource Centers and one of three such centers in the nation assisting Veteran Entrepreneurs, is facing a bleak future due to federal budget cuts.

Annual funding for the center was reduced by 67 percent earlier this month by the National Veterans Business Development Corporation, a nonprofit agency created to foster entrepreneurship among men and women who are former members of the military, National Guard and Reserve.

VetBizCentral was launched in 2005 by Edward L. Ronders, a Vietnam-era Veteran and long-time Veterans advocate.

"The entire VetBizCentral staff has worked many hours, at times without pay, to give Veteran entrepreneurs the opportunity to realize their dreams," said Edward L. Ronders, 62, VetBizCentral director. "I'm terribly disappointed that the U.S. government would withdraw vital assistance in a time of war and with so many men and women, especially members of the Michigan Army National Guard, serving in Afghanistan and Iraq. This is a slap in the face of these brave men and women."

Ronders said the Center, located at 400 S. Dort Hwy in Flint has already reduced staff and cut office hours effective March 3. The center will now be open from 9 a.m. to 1 p.m. Monday through Friday but will meet with veterans by appointment at other times, if necessary. The center serves veterans, Guard, Reserve members and their families across Michigan.

"We will continue to offer services, including classes and conferences for as long as we can," Ronders said. "But without additional funding, it's only a matter of time before we close our doors for good."

In May the U.S. House Small Business Subcommittee on Investigations and Oversight examined spending by the National Veterans Business Development Corporation. Following hearings on the matter, the agency's funding was cut was 5 percent from the previous year's allotment.

However, funding to VetBizCentral and the St. Louis Veterans Business Resource Center was slashed by 67 percent to \$67,500 while the Boston Center had its funding eliminated. The St Louis office announced today it will close April 1 while the Boston Center is expected to close this month.

The Flint center has provided at no charge entrepreneurship education and individual counseling to more than 1,000 veterans in the Flint area and across Michigan. Last year, the Center began working closely with members of the Michigan National Guard who had recently returned from deployment. It has presented two conferences in Flint which drew nearly 250 veteran entrepreneurs. Ronders was named the Michigan and Regional Small Business Champion of the Year by the U.S. Small Business Administration in 2007.

"We will continue to work with our clients and those returning home from deployment," Ronders said. "We'll work as long as we can."

The closing of the St. Louis and Boston centers and the Flint center's precarious position signals an end to a number of services provided to successful Veterans such as Vietnam-era and VetBizCentral client Veteran Mike Ledwick, of Clio.

Ledwick received counseling and help from VetBizCentral when he was forced to give up his landscaping business in 2004 due to health reasons.

The Center assisted him in completing his education at Spring Arbor University where he received a degree in family life counseling last month. He is in the process of opening a family counseling center which will focus on veterans and their unique issues.

"I was totally lost because I couldn't pursue my career anymore," said Ledwick, 62 and a Navy veteran. "VetBiz has been a lifeline for me. It helped me pursue other options and in the process meet some wonderful people. Folks like bankers who taught seminars -- it was gratifying to see these people take the time to help veterans and you could tell they were touched, too, by the experience. It would be sad if VetBizCentral closed. Veterans would say it's the same old same old by our government."

In addition to helping veterans, VetBizCentral has also advocated for Service Disabled Veteran owned business in the government procurement arena. Ronders has testified before a state Senate committee, supporting increasing Michigan's Service Disabled Veteran owned business contracting goals from three to five percent.

The National Veterans Business Development Corporation, also known as The Veterans Corporation, was created by the Veterans Entrepreneurship and Small Business Development Act of 1999. The corporation is a nonprofit organization headquartered in Washington, D.C.

Charged with crating Business Resource Centers across the nation, the corporation played a role in launching only three such centers in nine years. Original plans called for as many as 50 such centers nationwide. Poor leadership and questionable management and spending practices of the Veterans Corporation contributed to the inability of the TVC to achieve its mission, Ronders said.

VetBizCentral will go forward with planned events, including a May 30th at the John Dingell VA Medical Center in Detroit conference for veteran business owners wanting to procure federal contracts.

"We won't let our brothers down. We'll be there no matter what, even if it's as a volunteer," Ronders said. "The question is, for how long?"

STRATEGIC PLAN

FY 2008-2012

THE VETERANS CORPORATION



"Where Veteran Entrepreneurs Partner for Success"

NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION

I. EXECUTIVE SUMMARY

The Veterans Corporation serves as the premier mentoring organization assisting and educating America's Veterans, including Service-Disabled Veterans and Guard and Reserve, in creating and expanding their entrepreneurial activities. Currently there is no other organization designated in statute, inside or outside of government, solely dedicated to assisting Veterans to succeed in business nationwide.

Veteran entrepreneurs contribute significantly to the economic development of their communities and of the country. There are over 3.8 million Veteran entrepreneurs, and \$121 billion was generated by Veteran-owned businesses in the United States in 2005. These successful businesses not only contribute financially, but by hiring Veterans and creating new Veteran jobs.

With Afghanistan and Iraq returning Veterans, as well as the federalization of the Guard and Reserve, Veteran business information and entrepreneurial needs are dwarfing the capabilities of all Veteran advocates. The Veterans Corporation is uniquely prepared to work with the White House, Congress, Veteran Service Organizations (VSOs), state and local officials, and organizations from both the public and private sectors in order to address the urgent and vital needs of all America's Veterans, their families and our communities.

II. VISION

The Veterans Corporation (TVC) will be the premier organization in the world assisting America's Veterans, including Service-Disabled Veterans and members of the Guard and Reserve, in creating and expanding their entrepreneurial endeavors and Veteran-owned small business enterprises by providing access to the knowledge, tools and resources necessary for success.

III. MISSION

The Veterans Corporation (TVC) will:

A. Serve as a mentor, counselor, catalyst, facilitator and clearinghouse to assist Veterans who want to start or grow a business. Where necessary services do not currently exist, TVC will work aggressively with public/private partners to determine which entity is best prepared to deliver such services and implement these services to Veteran entrepreneurs.

B. Expand the provision of and improve access to capital, surety bonding and education and technical assistance to either start or grow a business to all Veterans, Service-Disabled Veterans, members of the Guard and Reserves and their families.

C. Assist Veterans, including Service-Disabled Veterans and members of the Guard and Reserve with the formation and expansion of small business concerns by working with and organizing public and private resources, including but not limited to:

- Veteran Service Organizations
- The Surety and Fidelity Association of America
- The National Economic Opportunity Fund
- Association for Small Business Development Centers
- Procurement and Technical Assistance Centers
- Department of Defense
- Small Business Administration
- Department of Veterans Affairs
- Department of Labor
- Department of Commerce
- Service Corps of Retired Executives
- Business development staffs of each department and agency of the federal government
- National Governors Association and individual Governors
- US Council of Mayors and individual mayors
- The American Association of Community Colleges
- The White House
- US House of Representatives and the US Senate



The Veterans Corporation
The National Veterans Business Development Corporation

FY 2008 Veteran Entrepreneurial Business Development Focus

There are three focus areas for Veteran Entrepreneurial support by TVC during FY 2008. They are:

- Competitive Grants
- Services
- Products

Each quarter TVC staff will evaluate progress made in each focus area and report that effort in a brief paragraph to explain progress or lack of progress for each section and the subsections.

Focus 1: Competitive Grants

GRANTING OBJECTIVE FY 2008

TVC's Competitive Grants program combined with TVC HQ's National Business Support program has at its goal to allocate, and award programmatic funding in support Veteran, Service Disabled Veteran, Guard & Reserve business needs and support advocates at a level between 60 – 68% of TVC's federal funding of \$1.410 million for FY 2008.

Grants applications are accepted, reviewed by staff, forwarded to TVC's FY 2008 Grants Review Committee then forwarded to TVC's Board of Directors for final approval. A file for each grant will be maintained by TVC Headquarters Staff and quarterly objectives and measurements will be reported to TVC's Board and Stakeholders. TVC's Board of Directors has established a Grants Review Committee that will vote on grant requests based on the merit of each request and the direct benefits to Veteran entrepreneurship.

This initiative supports educational projects and organizations that address the entrepreneurial needs of Veterans, including Service-Disabled Veterans and members of the National Guard and reserve forces, who are starting or growing small businesses or preparing a business for deployment.

Organizations may apply for general program grants in two program categories (education and outreach) or for specific grants highlighted in open RFPs. Full

information regarding eligibility, application requirements, and submission procedures can be found at www.veteranscorp.org/developmentgrants. In addition, current grantees can reference this site for full reporting requirements and report templates. Proposals submitted under RFPs may have requirements or program elements not outlined here.

General program grant proposals may be written for projects or programs fitting into one or more of the general program categories. Each general program category has a list of approved program activities. Proposed programs or projects may include one or more activities from this list and may also include activities not on this list that fall within the scope of the program category. General program categories are:

Education

- Transition preparation - programs designed to deliver entrepreneurial education to deployed active duty military, including National guard and Reserve
- Classroom programs - programs designed to deliver entrepreneurial educational coursework to Veterans interested in starting or growing a small business

Outreach

- Business start-up/growth counseling - programs designed to help Veterans develop a business plan or grow their businesses, including follow-up casework
- Professional seminars/workshops - programs designed to educate Veterans on particular aspects of business that do not fall under the category of education courses
- Teaming/mentoring - programs designed to help Veteran businesses team with other businesses and become prime contractors
- Transition assistance - programs designed to help Veterans exiting the military become entrepreneurs

No multi-year grant proposals will be accepted under general program grants. Grants may not be written for periods of more than twelve months. Multi-year projects will not be accepted. The maximum grant award is \$50,000. Organizations submitting a project that requires funding above these levels must include a comprehensive plan for securing the remaining funds. Organizations may submit applications for more than one project if they fall under general program guidelines.

Applicants for funding under TVC's Development Grants program must be United States 501(c)(3) organizations or other organizations identified as tax-exempt by the IRS. An IRS Form 990 must be available to establish this status. Grants will not be awarded to individuals or to organizations that serve an exclusively religious purpose.

Please see the Grant Programs page for information on TVC's General Program categories: education and outreach. To apply for a general program grant, please review the Application Guidelines on this site. TVC's FY 2008 Grants Review Committee Board of Directors meets quarterly to review grant applications.

GRANT PROPOSAL FORMAT

All proposals submitted for funding consideration must follow the prescribed format. Any proposals not conforming to this format will not be considered for funding.

Cover sheet – a completed cover letter detailing the amount of money requested and the grant period, signed by the person responsible for signing grant contracts on behalf of the applicant. The blank cover sheet can be found under Application Forms.

Proposal Summary (1 page) – briefly explain your organization’s proposed overall strategy, the outcomes you hope to achieve, the timeline for this project, how funds will be spent, and the total dollar amount requested.

Narrative (no longer than 10 pages, not including financial information) – should address the following:

- A brief introduction to your organization including its history, total budget, and demographics of Veteran population served (geographic location, socio-economic status, and Service-Disabled status)
- Project description including unique elements of the project, the project’s feasibility and sustainability, and the methodology and implementation strategies for the project
- Organizational relationships, both informal and formal, with other groups working to meet the same needs or providing similar services, collaborative partners, and other working partners for this project
- Proposed staffing pattern for this project, including names and titles of individuals playing key roles
- A timeline providing the anticipated length of project along with tasks and schedule for the entire project (note: proposed projects may not exceed 12 months in length or seek funding for multiple years)
- An evaluation plan explaining how the effectiveness and impact of project will be measured, the criteria for a successful program, and the results you expect to have achieved by the end of the funding period

Financial information – provide a detailed line-item budget for the program showing all projected/confirmed sources and amounts of funding toward the program for the proposed grant period. Up to 10% budget allocation can be included for indirect expenses. If the request does not cover the complete cost of the budget, provide a strategy to secure full funding for the project and/or other confirmed fund sources.

Required financial documentation – include the most recent organizational budget based on fiscal year as well as your organization’s most recently audited financial statements and 990 form.

Additional required documentation – the following documents must be included as attachments (does not count against 10 page narrative limit):

- List of Board of Directors and their affiliations
- Copy of federal tax-exempt determination letter
- Resumes of key staff members on project
- Most recent annual report

Focus 2: Services

SERVICES OBJECTIVE FY 2008

Services offered by TVC are delivered by staff and third party partners/contractors. TVC enters into Memorandums of Understanding (MOU) with non-profits, educational institutions and private contractors to form direct mentoring and counseling Veteran services.

Access to Capital

From start-up businesses to established businesses looking to expand, The Veterans Corporation understands that financing is an essential need for any business owner. In fact, business financing is the number one request we receive from our members. That is why TVC has partnered with the National Economic Opportunity Fund (NEOF) to provide Veteran and Service-Disabled Veteran entrepreneurs with access to capital and the financial support they need to succeed in business. Because it isn't just about financing a business; it's about financing a dream.

TVC and NEOF have developed partnerships with a variety of financial institutions to provide funding for Veteran and Service-Disabled Veteran entrepreneurs. With loans ranging from \$500 to \$3 million, and funding available for a broad range of purposes, TVC and NEOF can provide loans to both new and existing Veteran business owners.*

To find out whether a Veteran can benefit from TVC's Access to Capital Program, TVC has developed a straightforward application process. First, fill out the online Capital Questionnaire to the best of your ability and submit the form to TVC. TVC will use that questionnaire to quickly evaluate where your business stands on the path to funding. Next, download the Loan Preparedness Checklist and begin gathering items on the checklist. Shortly after receiving your questionnaire, TVC will contact you to discuss your next steps and guide you toward completion of the checklist.

Following the completion of the checklist, you are entitled to an initial FREE 30-minute counseling session with a representative from NEOF. The counseling session is designed to determine the likelihood of receiving a loan through TVC's Access to Capital Program. Next, Veterans have the opportunity to decide whether or not you want to enter TVC's Access to Capital Program and gain NEOF as a strategic resource.

** Disqualifiers to TVC's Access to Capital Program include funding for firearms, pornography, multi-level marketing, and real estate investment or speculation.*

Access to Bonding

Last year, the value of construction put into place, excluding single-family residential construction, was about \$550 billion. For Veteran contractors to secure some of that work, especially in the public sector, they must be surety bonded. To help Veteran contractors succeed, TVC has formed a partnership with the Surety and Fidelity Association of America (SFAA) to provide both current and emerging Veteran contractors and subcontractors with the education and training they need to do business with the government. Surety bonds provide financial security and construction assurance to project owners by verifying that contractors are capable of performing the work and will pay subcontractors, laborers, and material suppliers. There are three basic types of contract surety bonds: bid bond; performance bond; and payment bond. By the Miller Act of 1935, federal law mandates performance bonds for public work contracts over \$100,000 and payment bonds for contracts over \$25,000. In addition, most states require performance and payment bonds on all state and local public works projects.

If you are a Veteran contractor or subcontractor seeking to do business with the government, the ability to obtain a surety bond is essential. Through TVC's partnership with SFAA, a trade association whose member companies collectively write the majority of surety and fidelity bonds in the United States, both existing contractors and emerging subcontractors get the bonding they need to succeed.

To find out whether you can benefit from TVC's Surety Bonding program, TVC has developed a straightforward application process. First, fill out the online Surety Bonding Questionnaire to the best of your ability and submit the form to TVC. TVC will use that questionnaire to quickly evaluate where your business stands on the path to surety bonding. Next, download the Surety Preparedness Checklist and begin gathering items on the checklist. Shortly after receiving your questionnaire, TVC will contact you to discuss your next steps.

TVC and SFAA will identify a knowledgeable surety bond producer who can review your company and help you fulfill the checklist. Your producer will help you identify a CPA who will review your financial statements to assess your company's financial capacity. Next, you have the opportunity to decide whether or not you want to enter TVC's Surety Bonding Program and gain SFAA as a strategic resource.

Access to Education

Because many entrepreneurs do not have the luxury of spending a lot of time and effort attending classes, The Veterans Corporation (TVC) has partnered with Ewing Marion Kauffman Foundation's Center for Entrepreneurship to offer, FREE to TVC's Veteran Membership, two extensive online courses "First Steps" and "Planning Your Entrepreneurial Venture." These courses can be found in the TVC's online eLearning Center.

Online E-Learning Workshops:

Adding to the rich mix of articles and instructional materials already present on TVC's website to assist Veterans in their entrepreneurial ventures, TVC has added a new online resource to support Veterans seeking information on specific entrepreneurial topics. As the result of a two-year licensing agreement with Virtual Advisor, TVC is now proud to present 26 interactive online workshops designed to help Veterans learn about specific components of running a business. Veterans now have free access via TVC's website to topics ranging from *Creating a Profit and Loss Statement* to *Personalization of Strategies to Attract and Retain Customers*. Recently launched, this program is already dwarfing usage of any other single online program offered by TVC. To further expand the user base of this program, TVC is preparing to offer it in Spanish by the beginning of FY2008.

Complete list of Topics

- Developing a Business Plan
- Conducting a Marketing Analysis
- Analyze Your Competition
- Targeting Your Market
- Maintaining an Agile Company
- Creating a Competitive Advantage
- Creating a Strategic Plan
- Determining Your Business Legal Structure
- Protecting Your Business with Patents, Copyrights, and Trademarks
- Preparing a Cash Budget
- Preparing a Balance Sheet
- Managing Your Cash Flow
- Running a Profitable Company
- Creating a Profit and Loss Statement
- Analyzing Your Financial Ratios
- Assessing Your Company's Financial Needs
- Partners and Investors
- Valuing a Business
- Pricing Products and Services
- Building Your Brand
- Promoting Your Business
- Advertising Your Business
- Building a Web Site
- Personalization Strategies to Attract and Retain Customers
- Identifying Your Sales Strategy

TVC also enters into contracts with both for-profit and non-profit organizations to conduct face-to-face Veteran business classes.

In addition to entrepreneurial skills training, TVC also hosts the most comprehensive anthology of basic and transitional skills courses for adults available on the internet, www.Boots2Business.com. Boot2Business presents the leading online resources in education and work place training, uniquely tailored to meet the needs of America's military personnel, including Guard and Reserve, Veterans, Service Disabled Veterans and their families. The elements comprising Boots2Business have been successfully used independently and through integrated suites in thousands of vocational schools, job-training centers, community colleges, detention and correctional facilities, Job Corps centers and adult education programs nationally. The Veterans Corporation has integrated them into a cohesive and interactive online program in partnership with IMACT Education, Brain Child, Technology Based Solutions and 19 other leading online providers.

The specific focus of the site for Veterans and their families is responsive to the documented need that such services are needed and are not readily available. Access to the site 24/7 from anywhere that internet access can be delivered provides a remarkable resource that could not otherwise be readily accessed by Veterans and family members.

Electronic Delivery Platforms

Main web site www.veteranscorp.org

As in FY 2006 and FY 2007, TVC's website enabled Veterans, Service Disabled Veterans, and Guard and reserve members around the world to connect with TVC's staff, programs, products and services. The sustained hits, unique visits, number of page views and time spent at the site are all key indicators that TVC is reaching the Veteran community. Overall interaction with the main site saw more than 3 million visitors in FY 2007 alone. The site is divided into 4 main areas: Starting a Business; Growing a Business; Getting Connected; and Veterans Business Tool Box. TVC also maintains within the site a number of direct resources for Veteran Entrepreneurship training and research tools for Prime Federal and State agencies to locate Veteran and Service Disabled Veteran companies. Leading this resource is the Veterans Business Directory.

Veterans Business Directory www.veteransbusinessdirectory.org

Veteran companies want and need exposure for their products and services, and TVC's Business Directory continues to effectively provide that vehicle. Resident within this directory is more than 14,000 Veteran and Service Disabled Veteran companies. During FY 2007 TVC added an additional 54,000 companies to this list and we are currently updating that new data base to insure the most powerful resource tool possible.

All active duty and honorably discharged Veterans that are interested in registering their company in the Veterans Business Directory must first become a member of The Veterans Corporation, **membership is FREE**. As a Veteran member, you are entitled to a free company listing within the directory. Once successfully logged in to the TVC website (using their membership credentials), they will have the ability to create and subsequently manage their Company Profile.

ConnectVets On-line Forum www.connectvets.com/forum/

In March of FY 2007, TVC introduced a peer-to-peer online discussion board entitled the **ConnectVets Business Forum**. The Forum was conceptualized as an online place for Veterans to share business information with each other. The business forum, which requires minimal funds, reaches a large number of Veterans and has experienced a very high rate of traffic as well as positive community feedback. On average, approximately 2,000 Veterans visit the forum each month. TVC is continually seeking new ways to encourage even greater Veteran participation in this project as it moves forward.

TVC's Veterans Virtual Business Incubator

The TVC Veterans Virtual Business Incubator (VBI) a partnership with Knowledge Institute is a virtual online tool to connect Veterans with a comprehensive list of services and offerings in their own state as well as the nation at large. Through this tool, Veterans can directly connect with organizations and companies needed for business resources and services (e.g., accounting, printing, and website development) that can be used immediately to get Veteran businesses off the ground or expand to wider horizons. Also on this tool is a pay for service "Virtual Coach" that the Veteran can subscribe to on a monthly basis. This tool assists Veteran companies with the timing and pace of the company's check list for success.

Business/Contract Teaming Electronic Online Tool www.Vetbiznetwork.net

TVC has provided a grant to Vetbiznetwork.net to retain an online tool for Veterans. Since awarding the grant in March 2007, the network has aggressively pursued the development of Veteran and service-disabled Veteran teams. The network has created a teaming cooperative and provides SDVOB set-aside announcements. In addition, Vetbiznetwork.net maintains a forum for approximately 2,000 Veterans and service-disabled Veterans who have shared over 55,000 emails related to contracting opportunities since TVC's grant award. TVC looks forward to working with Vetbiznetwork.net in the future and continuing this opportunity for Veterans.

University Entrepreneurial Video Reference Library

Stanford University

With the Kauffman Foundation's assistance, an agreement was obtained with Stanford University's popular ***Entrepreneurial Educators Corner*** program. This program is a free online service providing entrepreneurship resources for teaching and learning, the mission of which is to support and encourage faculty around the world who teach entrepreneurship, particularly to scientists and engineers. The site was developed by a dynamic team of educators, entrepreneurs, engineers and designers through the Stanford Technology Ventures Program (STVP). Via TVC's agreement, TVC and TVC's members now have full access to Video Entrepreneurial program segments.

Cornell University

Cornell University's *Premier Video Clip Collection* has provided TVC with access to over 5,000 clips pertaining to business, entrepreneurship, and leadership, along with 220 videos for classroom use.

Veterans Business Video Library

In partnership with the Department of Defense Office of Small Business TVC co sponsored the **2006 Veterans Small Business Conference** December 4-7, 2006 Dallas Texas: ***Veterans Doing Business with the Department of Defense***. Veterans can find more than 4 ½ hours of detailed videos on the best way to approach the opportunities with the Department of Defense. As a companion to the videos there are 41 PowerPoint Presentations that were delivered by presenters at the conference.

Business Matchmaking FY 2008

In FY 2007, TVC became a sponsor of Business Matchmaking to assist Veteran, Service-Disabled Veteran, Guard and Reserve businesses to meet, interact, present, and potentially be awarded contracts from private sector and government agencies. TVC joined (HP, AFLAC, FedEx Corporation, The Latino Coalition, Lockheed Martin and National Merchant Center) as Business Matchmaking moved from SBA/ (HP) as an agency program into a private/foundation format led by recently-named Chairman Hector Barretto. TVC is able to be a sponsor of Business Matchmaking thanks to an in-kind grant of \$160,000 made by Business Matchmaking.

Business Matchmaking combines education and counseling by expert small business advisors and topical experts with networking and face-to-face procurement appointments through regional events. In addition to the regional events, the Business Matchmaking Online Network offers online education tools such as the Virtual Business Matchmaking Workshop, monthly educational "webinars," important downloads and links, and, in select circumstances, Business Matchmaking provides small business owners with select access to buyers from government agencies and major corporations.

Business Matchmaking is an initiative presented by co-sponsors SCORE and HP. Additional private sector companies provide co-sponsorship support throughout the year. Through the support of these organizations, Business Matchmaking is offered free to all small business participants. Other 2007 co-sponsors include Aflac, American Airlines, FedEx, The Latino Coalition, Lockheed Martin, National Merchant Center, and The Veterans Corporation.

The components of Business Matchmaking are:

- Individual business counseling and guidance provided by SBA, SCORE, SBDCs and additional small business resource partners.
- Regional events providing education and training with face-to-face meetings between small business owners and managers with procurement representatives of large companies and federal, state and local agencies.

- The Business Matchmaking Online Network that includes online educational tools, webinars and a Matchmaking seller directory allowing buyers to search companies that match their procurement needs on an ongoing basis.
- A comprehensive web site, www.BusinessMatchmaking.com, which provides tools and resources for small businesses that are either active with procurement contracts or that wish to start exploring these opportunities.
- An extensive network of cooperative, participating procurement representatives from every Federal agency as well as state and local governments and major corporations. A list of organizations whose procurement representatives regularly support Business Matchmaking through their participation and active contract awards is available.

This new leg of TVC's outreach helps TVC close the loop of Veterans, Service-Disabled Veterans, and members of the Guard and reserve being introduced to contracting opportunities. Through TVC's web presence and additional outreach events, TVC hopes to significantly add to the number of Veterans and Service-Disabled Veterans actively participating in Business Matchmaking.

During FY 2007, five events were conducted in Ft. Lauderdale, FL; Atlanta, GA; Upper Marlboro, MD; Washington, DC; and Chicago, IL. More than 2,227 Veteran and Service-Disabled Veteran company matchmaking interview sessions were conducted during these events. Of the companies participating, 20% were Veteran owned companies, and 11% were Service Disabled Veterans owned companies.

At each event that TVC attends, TVC staff takes part in plenary panels, make presentations, and remain available to answer questions from attendees. The key elements of TVC's presentations include TVC's Access to Capital and Access to Bonding programs. As Veteran participation Business Matchmaking events increases, TVC is making a concerted effort to directly participate in each event in order to alert Veterans of these and other key programs offered by TVC that can assist Veterans in securing contracts.

Veterans Virtual Resource Center

In partnership with the Small Business Administration (SBA) Senior Core of Retired Executives (SCORE), TVC launched a Veteran online front end site to SCORE's main business mentoring/counseling site. Here, through TVC's main site portal Veterans can be directly linked to the resources, answers to business questions, or simply have a sounding board for business issues they are facing. This resource is seeing an average of 500 referrals daily to SCORE.

"Honoring America's Veteran Entrepreneurs" Essay Contest

The Veterans Corporation, in partnership with Military.com, are pleased to once again sponsor the 2008 "Honoring America's Veteran Entrepreneurs" Youth Essay Contest, part of Entrepreneurship Week 2008.

Students, nationwide are invited to submit thoughtful essays nominating parents and grandparents to be chosen as "Veteran Entrepreneur of the Year". The first place winner will receive a trip to Washington D.C., where they will receive their awards at a formal reception in the spring of 2008, honoring public and private sector leaders in advancing the cause of Veteran entrepreneurship. The first place winner will also receive a \$500 United States Savings Bond to be used toward their education.

Partner Programs

OODA/MCC: TVC has long believed that Veterans comprise a significant percentage of long and short hauler drivers navigating the roads today, and this belief was confirmed when TVC launched a new partnership with the Owner-Operator Independent Drivers Association (OODA). According to OODA, 40% of their 190,000 members (or approximately 76,000 individuals) are Veterans.

To address this group of Veterans, TVC formed a partnership with both OODA and the Metropolitan Community College-Blue River (MCC) to provide entrepreneurial tools for Veterans and Service-Disabled Veterans who are or want to be long or short hauler drivers. The first stage of this partnership is to provide a three-day seminar designed to assist Veterans in meeting the many challenges that await the driver desiring to become an owner/operator. The seminar will help Veterans create a business plan, work out a budget, including costs and pay methods, and tackle other topics such as time management, insurance, taxes, business structures, leasing regulations, obtain a truck to meet their driving plans, financing, record keeping, permits, licensing, authority and audits.

Deploy-Proof Your Business

Members of the Guard and Reserve who expect to be mobilized, in training, deployed, or away from their business for an extended period for any reason, now have a business resource to help them evaluate their business operational options. Here company owners may compare their options for suspending or sustaining their business while absent. The tool gives options, technology tips, links to services and valuable knowledge gained from those who have used the tool.

Sustain Your Business

One of the major goals of Deploy Proof Your Business is to assist National Guard and Reserve entrepreneurs who choose to sustain their businesses during absences caused by training, mobilization, and deployment. Careful preparation, employee involvement, and trust in the persons running your business are the most important elements to successfully sustaining your business during long-term absences.

Designed to serve as a guide and preparation tool to ensure Guard and Reserve are ready financially, strategically, and emotionally by the time you leave for deployment. It will also help make sure your employees and family members are equally prepared for your absence and the effect it will have on your business. Because their business is more than just an investment, and is in most cases your livelihood, TVC helps you prepare your business from the day you open your doors until the day you hand over your responsibilities to someone else.

Throughout this section, TVC provides you with the things you need to do to prepare your business and yourself for deployment, including building a plan, training your employees, and managing your finances. It is important that you are prepared to sustain your business before you ever receive orders that you will be deployed. Because the steps to hand over their business to someone else take time, it is imperative that you are organized and have an action plan in place so that you can begin implementing it as soon as you find out.

It is important to remember that this guide is designed to be one resource that can assist you in preparing for deployment. Always work with your legal and financial advisors to ensure that your plans are not only the best possible for your unique business, but that they comply with all laws and regulations that are applicable to your business. Once the Guardsman or Reservist has decided to sustain their business, it is time to begin preparing your deployment plan.

Suspend Your Business

Many business owners who are members of the National Guard or reserves make the decision to suspend their business during absences caused by training, mobilization, and deployment. There are many reasons business owners might choose to do so, but oftentimes suspending business is the only viable option. For example, business owners who rely on a special skill or trade that only they possess, such as artists or craftsmen, do not have the option to pass their business on to someone else. Others, who own businesses that bring in income based on the owner's presence at a job, such as independent truck drivers, cannot be sustained when the owner is away for an extended absence.

Regardless of the reason to suspend the business while they are away, this section is designed to serve as a guide and preparation tool to help make ready their business for an extended absence. This guide is specifically designed for business owners who plan on closing their business with the intent to re-open at a later time. If they choose to close their business permanently, they may consider selling their business and should speak with legal and financial experts to guide them in the sale of their business.

It is important that they are prepared to suspend their business before they ever receive orders that they will be deployed. Because the steps to close a business will take time, it is imperative that an owner is organized and have an action plan in place so that they can begin implementing it as soon as they do receive your orders. And most importantly, remember that this guide is designed to be one resource to assist the Guardsman or Reservist in preparing for their deployment. Always work with legal and financial experts

and take advantage of the other resources offered in this guide to ensure that your deployment plan is the best possible for your unique business, and that you are in full compliance with all applicable state and federal laws.

Focus 3: Products

PRODUCT OBJECTIVE FY 2008

Insurance and Prescription Coverage

Small business owners face large challenges in providing health insurance and benefits to employees due to the steep costs for such plans. Insurance rates for small companies are higher than those of larger companies because there are fewer employees paying premiums. As a result, insurance plans and other health benefits are often unaffordable for small businesses. Many small companies believe they must offer health and dental benefits in order to attract skilled workers and trained professionals who can help their small business compete, yet they are forced to go without these crucial benefits as a result of the cost. TVC has partnered with the Federated Dental Plan to provide TVC members exclusive access to discounts on dental, vision, and chiropractic services, and prescription drugs! In addition, Veteran entrepreneurs can find a health insurance plan to suit their needs on eHealthInsurance.com!

Federated Dental Plan (plus vision, prescriptions and more!)

TVC's partnership with Federated Dental Plan provides TVC members with exclusive access to dental, vision, chiropractic, and prescription discounts. TVC members can enjoy this comprehensive discount program for a special monthly rate of \$9.95 for individual, and \$12.95 for family! As an added bonus for signing up now, your Federated Dental Plan comes with a lifetime no rate increase! Federated Dental Plan is proud to be one of the only health savings programs in the country to provide this guarantee.

As soon as you receive your New Member Envelope (within three weeks of joining), you can begin taking advantage of the valuable savings offered by your card. Receiving your discounts is as easy as it can get—simply locate a service provider in the network, present your card to the provider at the time of service, and get instant discounts on services. Because Federated Dental Plan is not insurance, there is no paperwork for you to fill out. By using Federated Dental Plan, you will gain access to the largest network of dentists in the nation (Careington Network) as well as 9,000 optical providers (Cole Managed Vision Network), 12,000 chiropractors (American Whole Health Network), and 57,000 pharmacies (Caremark Network).

The Federated Dental Plan comes with a 45-day satisfaction guarantee. If you are not completely satisfied with your plan, simply return it for a full refund.

eHealth Insurance

Whether you have two employees or five-hundred employees, you know how difficult it is find the right coverage. From finding the right provider to finding the right price, you can compare coverage and carriers online, side-by-side, and get step-by-step instructions on how to build the best program for your company without ever leaving your office.

Veterans Small Business Growth Initiative

The Veterans Corporation's Veterans Small Business Growth Initiative is a high-impact human resources program put into action by TVC and its member companies. The initiative promotes the growth of Veteran-owned businesses through the hiring of Veterans via employment mechanisms created by Recruit Military, LLC, the world's leading military-to-civilian online recruiting company.

Veterans who are members of TVC have long known of the positive impact that other Veterans can make on their work forces. Now, via TVC's Veterans Small Business Growth Initiative, our members have a great opportunity to multiply this impact many times over. Our partner in this initiative, RecruitMilitary, is a "Veteran operation" through and through. The company's founder, Drew Myers, is a former Marine Captain, and 100% percent of its owners, officers, account executives, and recruiters are either Veterans or active reservists.

Participating TVC Members can use RecruitMilitary's employment mechanisms to post jobs on the RecruitMilitary Web site and to search the RecruitMilitary database of more than 100,000 registered job seekers. The database is highly diverse with regard to branch of the service, rank or rate, gender, and ethnicity.

Incorporate Your Business

Are you starting or currently running your own business? As a member of The Veterans Corporation, you can save on business incorporation services in any state. BizFilings helps small business owners and new entrepreneurs easily and affordably form their businesses as corporations, limited liability companies (LLCs) or nonprofits in any state.

BizFilings

The Veterans Corporation has selected BizFilings to provide business incorporation services to its members. BizFilings was established in 1996 and has helped over 100,000 business owners with their business formation needs.

In order to incorporate your business using BizFilings, you provide BizFilings the necessary information on your company, such as the name; state in which you want to incorporate; whether you want the business to be a corporation, LLC or nonprofit; and director and officer information for corporations or member/manager information for LLCs. BizFilings then uses that information to prepare the formation documents and files

them with the appropriate state agency on your behalf. The process is easy for you, as you only have about 10 questions to answer and BizFilings does the rest.

BizFilings will also save Veterans money. Members of The Veterans Corporation receive the following discounts on BizFilings' formation services:

- Save \$20 on the Basic Formation Service
- Save \$40 on the Standard Formation Service
- Save \$60 on the Complete Formation Service

Entrepreneur Magazine

Special Discount to TVC Members - Entrepreneur Magazine

Enjoy Entrepreneur Magazine at 67% off newsstand prices. With more than 40 columns, departments and feature articles every month offering practical advice on how to strengthen your business expertise, you'll want to take advantage of this special offer.

National Merchant Center

National Merchant Center (NMC) is a leading provider of end-to-end payment processing solutions for small businesses, corporations and financial institutions.

Many payment processing companies provide only one solution for businesses. We feel this is insufficient and unreasonable. We believe large corporations and individual businesses both need payment products that cater to their specific needs. National Merchant Center caters to their customers by offering custom solutions, state of the art technology and competitive pricing.

Their professional staff will work directly with the Veteran entrepreneur to create a strategic plan and package that will best fit the company's processing needs. They offer a large selection of technology including custom software solutions and the latest equipment to meet your objectives.

Veterans eCommerce Center – VeteransPurchaseNet

VeteransPurchaseNet uses a bid and response system that encourages competition for business transactions. Looking for a vendor? Describe your needs and let various diverse companies compete for your business.

Want to list your product or service? Put your best foot forward and show prospective customers why you're the best. VeteransPurchaseNet is governed by the laws of supply and demand. While control of the process is in the hand of the buyer, there are plenty of advantages to vendors as well.

As a buyer you describe exactly what products you need for your business, and suppliers targeted by you send you their competing offerings. You sit back and watch the offers roll in. Then, choose the one that best meets your needs. It's that easy!

In addition to purchasing products, VeteransPurchaseNet will also allow you to locate vendors who provide specific services.

As a vendor you want to offer your products and/or services. Why not do so through this fantastic electronic medium? Join VeteransPurchaseNet and you can get started today. Receive nightly targeted emails linked to requests for bids, proposals, and RFIs from agencies and companies who are looking for the products or services you provide. Our system receives hundreds of bid requests a day, so get started right away!

HyperOffice

HyperOffice's Web-based software makes it easier for owners, employees, suppliers and business clients to plan projects, share and edit documents, and manage information any time and from any Internet connection. HyperOffice allows small businesses to also set up their own intranets and other portals for vendors and customers.

This follows the new trend in computing, whereby all applications are hosted and maintained over the Web, replacing desktop-computing applications and eliminating the need for on-site servers and other hardware.

The cost averages \$6 to \$9 a month per user, with multiple levels of user log-in and administrative rights set by the owner for security. There's a free 30-day trial.

BlackBOOK2.com

A cross-branding partnership with BlackBOOK2, the premier International online social and business communication network has been formed to create FREE business communications tools and services for Veterans. The global TVC-BlackBOOK2.com alliance is designed to unify, foster and grow the Veteran business community.

Blackbook2 is a FREE business and social networking portal to help people and businesses manage, maintain, and enhance growth in their lives and perspective markets. Through this portal free communication tools such as unlimited e-mail, video mail, conferencing calling, and video conferencing.

Currently we are able to give Veterans FREE video email and prior to the end of February 2008 FREE web hosting for Veteran Businesses and an expanded web presence for ConnectVets.com.

Measurements and Metrics

IV. CORPORATE GOALS -- For FY 2008

A. Be the **premier business information mentoring and counseling source** for Veterans, including Service-Disabled Veterans, Guard & Reserve:

A-1 By creating and expanding entrepreneurial education and event endeavors for Veteran-owned, small business enterprises

A-2 In providing the President, the Congress, Governors and Mayors an **Annual Report** on the Corporation's activities and accomplishments

A-3 By partnering with Federal, State, and local public/private organizations to assist Veterans in the formation and expansion of small business concerns

B. Continue to implement a cohesive plan to **raise private funds** in order to **leverage and/or match those funds** provided by Congress. Approaches are to be implemented at the national, state and local levels:

B-1 Including corporate and individual fundraising through the "Private Sector Leadership Council and the Committee of 100."

B-2 Revenue generation from products & affinity services offered

B-3 Grants and endowments

B-4 Additional ongoing government partner funding must also be considered necessary

C. Consistent with limited available funding, continue to aggressively implement the corporation's strategic vision: by providing proactive, positive, national-level strategic leadership on education, counseling, and mentoring; by providing the tools necessary to start or grow a business; and by implementing a competitive grants program approved by TVC's Board of Directors in October of FY 2007 to fund proactive approaches and collaborative endeavors with philanthropic, private sector and not-for-profit partners.

Priority will be given to projects that leverage additional support and serve as catalysts for long term sustainable development programs in Veteran Entrepreneurship.

D. Establish and implement effective Advisory Councils to inform, recommend and assist the Board on issues related to the individual council's area of expertise as TVC strives to help Veterans start or grow their business. Chairs of each of these councils serve as exoffios to TVC's Board of Directors.

These six Councils include:

D-1 Veteran Service Organizations (VSO) Advisory Council *

D-2 Educational Advisory Council *

Measurements and Metrics

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D-1 Veteran Service Organizations (VSO) Advisory Council *

D-2 Educational Advisory Council *

- D-3** Private Sector Leadership Council *
- D-4** Community Outreach Advisory Council
- D-5** Governors/Mayors Advisory Council
- D-6** Corporate Advisory Council
- * Currently in place

E. Establish key **strategic business partnerships** with private sector organizations, educational institutions and public companies to support and enhance TVC programs and to provide:

- E-1** Access to capital
- E-2** Access to Surety bonding
- E-3** Access to Educational courses and tutorials

F. Establish effective **strategic working relationships** with all segments of the government that have responsibilities to assist Veterans in the formation and expansion of small business concerns, including:

- F-1** Federal government
- F-2** State governments
- F-3** Local governments

G. Continue to implement a dynamic, positive **communications program and public relations plan** directed toward:

- G-1** Veterans and Veteran-owned small businesses
- G-2** Veteran Service Organizations
- G-3** Government agencies at all levels
- G-4** Private sector organizations

H. Develop and implement a comprehensive plan, to be updated annually, in cooperation with the **Advisory Committee on Veterans Business Affairs**, for:

- H-1** **Joint public-private sector efforts** to facilitate growth and development of small business concerns owned and controlled by Veterans

I. Administer the affairs of The Veterans Corporation through the Board of Directors, fairly and impartially and without discrimination in accordance with Public Law 106-50 as a federally chartered 501(c) (3) corporation incorporated under the laws of the District of Columbia, and **disburse TVC funds** in accordance with the purposes of the FY 2008 Strategic Plan as approved by the Board of Directors.

STRATEGIC PLANNING GUIDANCE – FY 2008 FROM TVC's BOARD OF DIRECTORS

The following Strategic Guidance is provided to the Corporate Staff to assist in the development and implementation of the FY 2008 Corporate Objectives and Initiatives in support of the above stated Corporate Goals with the understanding that the individual Corporate Goals do not have to be accomplished within a one-year time frame, but over the five-year time frame (FY 2008 – FY 2012).

In order to effectively evaluate the Corporation's activities at the end of FY 2008, the Corporate Staff is also directed to develop and report on the status of each Corporate Objective and Initiative, which is developed for implementation during FY 2008. Achieving all Corporate Goals is important to the future success of The Veterans Corporation; however, some Corporate Goals are more important than other Corporate Goals in the short term.

Corporate Goals are divided into three categories with the **Extremely Important Category** having the highest priority for level of effort by the Corporate Staff in developing and implementing Corporate Objectives and Initiatives and for the proper and optimum allocation of resources, including the need to consolidate and conserve our limited resources of time, money and personnel.

Raise Private Funds is by far **THE MOST IMPORTANT CORPORATE GOAL** at this time. Every effort must be made to achieve this Corporate Goal, as the achievement of this Corporate Goal will in turn provide the necessary financial support to allow TVC to continue to operate as a viable organization helping Veterans start and grow their businesses.

EXTREMELY IMPORTANT CORPORATE GOALS:

Corporate Goal B: Raise private funds to leverage funds from the government

Corporate Goal I: Administer the affairs of TVC in accordance with P.L. 106-50 and work with Congress to reauthorize TVC

VERY IMPORTANT CORPORATE GOALS:

Corporate Goal C: Implement a competitive grants program to provide education, counseling and mentoring, and other tools necessary for Veterans, Service Disabled Veterans, Guard and Reserve to start or grow a business

Corporate Goal D: Establish and maintain Advisory Councils to inform, recommend

and assist the TVC Board of Directors in implementing TVC programs

Corporate Goal E: Establish and maintain strategic business partnerships to provide access to capital and surety bonding in private sector

Corporate Goal F: Establish and maintain strategic working relationships with Federal, state and local entities

Corporate Goal G: Implement dynamic communications program and public relations plan

IMPORTANT CORPORATE GOALS:

Corporate Goal H: Implement comprehensive plan in cooperation with Advisory Committee on Veterans Business Affairs (ACVBA.)

**Fiscal Year 2008
Corporate Objectives & Major Initiatives**

Corporate Objective I:

I. Fundraising

TVC requires annual operational , programmatic and competitive granting funding at a base of \$2.5 M.

1. This base funding is critical to the ongoing life of TVC. These monies provide support of Veteran businesses competitive and non-competitive grant programmatic. With the significant decrease in federal funding for FY 2008 TVC must obtain private funding to maintain its existence. Should private funding goals not be met the TVC Board of Directors will have to consider implementing shutdown procedures.

Fundraising Initiatives:

During FY 2008 raise new cash from private sources through the "Committee of 100" and other activities of the Private Sector Leadership Council to expand FY 2008's limited federal funding to a goal of \$1.5 M to cover existing competitive grants program and cover back office expenses. The Private Sector Leadership Council will work with the President and CEO and key members of the headquarters staff to develop creative fundraising/ special events to support the corporation.

TVC leadership and development staff will continue to solicit any and all funding sources available to the organization from government, corporations, foundations and individuals. Submissions for grant proposals to private foundations and government agencies will be based on TVC's eligibility within the scope of the associated proposal by granting

organization. In FY '08, this goal is to identify and submit innovative proposals that speak to TVC's new programs and capabilities, leveraging TVC's strategic partnerships and member success stories. New proposals will target unique segments of the Veteran population and will focus on outreach, identification, and multi-tiered education through various media outlets.

Grant Initiatives:

Initiative #1: Continue our work with the Henry H. Kessler Foundation to help disabled Veterans in New Jersey gain self-sufficiency through entrepreneurship education and training; this project will also prepare Service-Disabled Veterans to do business with the government by providing bonding, training, and pre-qualification for registration in the CCR.

Initiative #2: Pursue companies and corporations to provide grant funds for Veteran education, including "Boots2Business" and "Study Buddy."

Initiative #3: Seek funding in partnership with The State University of New York (SUNY) for joint initiative to provide complete training and education to Veteran entrepreneurs in New York and nationwide. This project will leverage both partners to seek funding from private foundations, corporations, and individual donors, and will be based on a funding timeline derived from program components and required start-up costs.

Initiative #4: Explore possibilities of "Special Events." Goal is to secure funding above costs to conduct activity (25%) These special programs will be explored and coordinated by TVC's Vice President of Government Relations and Administration.

Initiative #5: Efforts by TVC and other Veteran advocate organizations continue to have Congress reauthorize the corporation. Goal of this effort is to secure government funding at \$3.7, 4.5, 5, 6, 6.7 million over the next five years. This activity is being coordinated by TVC's Vice President of Government Relations and Administration.

Initiative #6: TVC is co-sponsoring the Ninth Annual Small Business Conference for the Department of Energy (DOE). Working with DOE's contractor "Accurate Image Marketing" (AIM) we will coordinate the exhibits floor, registration and overall coordination of the event. Our direction for this effort is through the DOE. Goal of this effort is to secure funding at a level of \$50,000 or above. This program is under the direction and coordination of TVC's President/CEO

Performance Metric: Each initiative will be tracked monthly and reported quarterly within the Activity Report supplied to TVC's Board of Directors.

II. Veteran Entrepreneurship Support Grant Initiative :

Working within TVC's very limited federal programs budget: continue to aggressively implement the corporation's strategic vision by providing proactive, positive, national-level strategic leadership on education, counseling, mentoring, and the other tools necessary to start or grow Veteran businesses.

FY 2008 is the inaugural year for TVC's competitive grants programs. Dependent of funds provided by Congress and those raised through private sources, TVC's FY 2008 plan strives to fund Veteran Business Programs at the highest levels possible.

Corporate Objective II:

II. Education & Training

Continue implementation of partnerships with academic institutions and third party providers to deliver quality business, work/life education to Veterans and implement an effective and encompassing education program that targets each segment of the Veteran population.

Education & Training Initiatives:

Initiative #1: Continue to expand and develop partnerships with state university systems, national education associations and individual academic institutions to develop online and/or face-to-face accredited education programs while continuing to utilize current TVC online eLearning component. Online education programs will be monitored for success and delivered to the White House and Congress. This activity is coordinated with TVC's Education Advisory Council (EAC) by the Education Program Manager in partnership with the President/CEO.

Initiative #2: Implement a new competitive granting system to assist in the funding of education and outreach programs. Grant applicants will receive funding based on the strength, scope and depth of their program and their ability to deliver promised services. Future granting requests will be based competitively on past delivery performance. Quarterly reporting will be required and compiled for presentation to TVC's Board of Directors. This activity is coordinated by the Development and Education Program Offices.

Initiative #3: Continue to expand and enhance Deploy-Proof Your Business as a transition education preparation program for Guard and Reserve.

Initiative #4: Continue to expand and enhance transition business educational program (www.TurboTap.org) Entrepreneur Section 4B for deployed Active-Duty, National Guard, and Reservists in the field who are preparing to transition to civilian life.

Initiative #5: Work with the Education Advisory Council to develop and deliver new innovative education programs to Veterans deployed around the globe.

Initiative #6: Continue to work with National Economic Opportunity Fund (NEOF) to facilitate the development of a National Service-Disabled Veterans' Entrepreneurship Help Desk. This program will include the development of partnerships with various groups specializing in providing services to disabled Veterans. This activity is coordinated by the Development and Education Program Office.

Initiative #7: Develop industry partnerships and coordinate national and regional events to partner Veteran-owned businesses with industry specific resources and professional growth opportunities.

Performance Metric: Each initiative will be tracked monthly and reported to the reported quarterly to TVC's Board of Directors.

Corporate Objective III:

III. Services

TVC must continue to determine what programs and services are necessary and vital for Veterans to successfully start or grow small businesses and create partnerships and/or programs to achieve goal.

Initiative # 1: Access to Capital - TVC has set up a national/local "Financial Services Desk" in partnership with (NEOF) that is offering Veteran entrepreneurs a series of financial services.

Initiative #2: Access to Surety Bonding - As a prerequisite to qualifying for federal contracts (part of the three percent set-a-side for Service-Disabled Veterans) TVC has developed a national program with the *Surety and Fidelity Association of America* (SFAA) to pre-qualify Veteran entrepreneurs and match them with Surety Underwriters who can grow and mature with their Veteran business clients. During FY 2008, TVC in partnership with SFAA will deliver Bonding classes in at least 10 states.

Performance Metric: Each initiative will be tracked monthly by loans/bonding obtained and reported within the Monthly Activity Report and quarterly to TVC's Board of Directors.

Corporate Objective IV:

IV. Membership/Affinity Programs

Continue to maintain a clean database of Veteran members. Membership in TVC is free. Increase the affinity program by adding new products as appropriate.

Membership and Affinity Program Initiatives:

Initiative #1: Launch a campaign in FY 2008 that every Veteran, Service Disabled Veteran, Guard & Reserve should sign up and join TVC. Membership is free and we are their conduit for the business tools of Veteran Entrepreneurship. Immediate family and Active Duty personnel may also join free of charge and obtain the skills and information to support Veteran Entrepreneurship and the return/transition to civilian life. This activity is coordinated by the Vice President of Membership & Membership Programs with the assistance of the President/CEO.

Initiative #2: Add affinity programs based on the needs of TVC members. This activity is coordinated by the Vice President of Membership & Membership Programs with the assistance of the President/CEO.

Initiative #3: Continually analyze and manage existing member services package, adding and removing programs and offerings as appropriate. This activity is coordinated by the Vice President of Membership & Membership Programs with the assistance of the President/CEO.

Performance Metric: Each initiative will be tracked monthly and reported within the Monthly Activity Report and quarterly to TVC's Board of Directors.

Corporate Objective V:

V. Legislative Outreach Program

Continue to grow and expand TVC's outreach program to educate decision-makers at federal, state and local levels to understand and support Veteran entrepreneurship as a tool for economic development.

Legislative Outreach Initiatives:

Initiative #1: Continue relationship building with key Members and staff on Appropriations, Veterans Affairs and Small Business Committees. This activity is coordinated by the Vice President of Government Relations & Administration and the President/CEO.

Initiative #2: Continue educating all members of Congress and their staff on TVC programs and activities. This activity is coordinated by the Vice President of Government Relations & Administration and the President/CEO.

Initiative #3: Report to White House and Congress regularly on TVC program results. This activity is coordinated by the Vice President of Government Relations & Administration and the President/CEO.

Initiative #4: Continue partnership efforts with major NGO's like the National Governors Association and the Surety and Fidelity Association of America. This activity is coordinated by the Vice President of Government Relations & Administration and the President/CEO.

Initiative #5: Constitute and coordinate the Governors' and Mayors' Advisory Council to support the corporation's Board of Directors.

Performance Metric: Each initiative will be tracked monthly and reported within the Monthly Activity Report and presented quarterly to TVC's Board of Directors.

Corporate Objective VI:

VI. Administration and Finance

Exercise prudent judgment in daily conduct and the management of TVC.

Administration and Finance Initiatives:

Initiative #1: Continue to execute and refine financial reporting activities along with appropriate internal controls, and checks & balance system. Maintain the impeccable audit record of the past three years. This activity is coordinated by the Director of Finance & HR, Vice President of Government Relations & Administration and the President/CEO.

Initiative #2: Continue to gather and record in kind contribution information in a timely fashion. This activity is coordinated by the Director of Finance & HR,

Vice President of Government Relations & Administration and the President/CEO.

Initiative #3: Report to TVC Board of Directors on a regular basis regarding TVC finances. This activity is coordinated by the Director of Finance & HR, Vice President of Government Relations & Administration and the President/CEO.

Initiative #4: Investigate and implement an employee benefits program to retain good employees. This activity is coordinated by the Director of Finance & HR, Vice President of Government Relations & Administration and the President/CEO.

Performance Metric: Each initiative will be tracked monthly and reported within the Monthly Activity Report and presented quarterly to TVC's Board of Directors.



Veteranscorp.org

"Where Veteran Entrepreneurs Partner for Success"

Annual Report

FY 2007

National Veterans Business Development Corporation

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www.veteranscorp.org



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FY 2007 Annual Report
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The Veterans Corporation Executive Summary

The National Veterans Business Development Corporation, doing business as The Veterans Corporation (TVC), is a Federally-chartered 501(c) (3) organization that was created by Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999. This Act recognized that America "has done too little to assist Veterans...in playing a greater role in the economy of the United States". The Corporation is charged with creating and enhancing entrepreneurial business opportunities for Veterans, including Service-Disabled Veterans. The Board of Directors is appointed by the President of the United States and provides governance over TVC. As a 501 (c) 3 tax-exempt organization, TVC can do things that government agencies cannot, will not or should not do.

TVC provides Veterans, Service-Disabled Veterans, members of the Guard and Reserve and their family members with the tools and resources they need to be successful entrepreneurs including emphasis on:

- **Access to Capital** – From start-up businesses to established businesses looking to expand, TVC understands that financing is an essential need for any business owner. In fact, it is the number one question we receive from our members. That is why TVC has partnered with the National Economic Opportunity Fund (NEOF) to provide Veteran and Service-Disabled Veteran Entrepreneurs with access to capital and the financial support they need to succeed in business. TVC and NEOF are working with multiple lending partners to provide \$5,000 to \$300,000 loans as low as 0% over prime and larger loans of up to \$3,000,000. With TVC's program, Veterans receive financing options above those offered by SBA's 7A and 524 programs.
- **Surety Bonding** – Last year, the value of construction put into place, excluding single family residential construction, was about \$550 billion. For Veteran contractors to secure some of that work, especially in the public sector, they must be surety bonded. Through TVC's partnership with the Surety and Fidelity Association of America (SFAA), both current and emerging Veteran contractors and subcontractors are provided with the education and training they need to do business with the government. TVC members can become experts in government contracting and surety bonding with the nation's only free, fully mentored surety bonding program for Veterans. SBA's bonding cap is set at \$2 million, with the average SBA backed bond at \$245k, not enough for Veterans and Service-Disabled owned companies to successfully compete for federal contracts. TVC's program has no caps, and is a 50 state program.

SUMMARY OF EXPENSES FY 2007

PROGRAMS	\$1,762,901.00	71.1%
G&A	\$ 475,311.00	19.20%
FUNDRAISING	\$ 240,494.00	9.70%

In Fiscal Year 2007, TVC headquarters staff has facilitated:

- 2, 227 Veteran and Service Disabled Veteran company matchmaking interview sessions during Business Matchmaking events held in Ft. Lauderdale, FL; Atlanta, GA; Upper Marlboro, MD; Washington, DC and Chicago, IL.
- \$391,000 of funding to Veteran and Service-Disabled Veteran owned businesses with another \$39 million in the pipeline.
- \$3.8 million in new surety bonds.
- Nearly one thousand workshops and counseling sessions including but not limited to how to write a business plan and assistance with financing and surety bonding.

Web traffic through TVC's website (veteranscorp.org) in FY 2007 includes:

- 3,140,511 hits.
- 427,048 page views.
- 277,574 unique visits lasting an average of 3:07.
- 33,095 downloads of materials.
- 14,124 visitors to the ConnectVets Business forum, a Veteran peer to Veteran peer online discussion board where Veterans can share business information with each other.

Program dollars spent by TVC in FY 2007 by state

CA	18k
GA	10k
IL	10k
MA (Boston VBRC)	180k
MI (Flint VBRC)	140k
MO (St. Louis VBRC)	150k
VA/WV	6k
Total	514k

In addition to the states just mentioned, TVC spent \$1,248,901 on program dollars for counseling and guidance by TVC National office staff to Veterans on access to capital, surety bonding, and many other aspects in starting or growing a business in all 50 states through phone calls or email. TVC national staff also participated in or directed programs in these additional states: AL, CO, DC, LA, MD, NC, NJ, NM, NV, TX, and WA.

In FY 2007, TVC made tremendous strides in providing the tools and resources necessary for Veterans, Service-Disabled Veterans, members of the Guard and Reserve and their family members to be successful in business. In FY 2007 TVC continued this trend by creating programs that provided access to the most sought after resources for Veteran and Service-Disabled Veteran owned businesses: capital and bonding. TVC also expanded its education and training offerings by forming partnerships with such groups as the Owner Operator Independent Drivers Association that provides Veterans with an outlet to start their own trucking business and with VetBizNetwork.net which provides Veteran and Service-Disabled Veteran contractors access to greater teaming opportunities. As TVC moves into the 2nd quarter of FY 2008, it can take pride not only in the remarkable growth in programs and services it provides the Veteran community, but more importantly the Veteran and Service-Disabled Veteran business owners that have turned their dreams into reality with the opportunity TVC has provided.



**The Veterans Corporation
FY 2007 Annual Report**

Veterans Program Funding and Outreach

71.1% of TVC's FY 2007 federal funding from Congress and other sources went directly to Veterans, Service-Disabled Veterans, grants and resource program funding. This is a 3.1% increase over FY 2006. The following are those programs facilitated through TVC's staff and private partners.

Community Based Veteran Business Resource Centers

During FY 2007, TVC focused on transitioning from direct program-based funding to a granting program offering both non-competitive and competitive grants to organizations supporting Veteran Business programs.

Prior to this transition, TVC had previously supported Veterans, Service-Disabled Veterans, Guard and Reserve with supplemental funding to Small Business Development Centers (SBDCs) located in Philadelphia, Atlanta, and San Diego, along with start-up/seed funding to TVC's three Community-Based Business Resource Centers (CBOs) located in Boston, St. Louis, and Flint.

In October of 2006, TVC discontinued its supplemental contract funding to SBDCs and made three non-competitive grants to the three aforementioned CBOs. At this time, TVC's CBOs were informed that they would transition to the competitive granting program in FY 2008, as approved by TVC's Board of Directors at the October, 2006 Board meeting. This notification provided the CBOs with the entire fiscal year of 2007 in order to prepare their grant applications.

In addition to the non-competitive grants given to the three CBOs, TVC also funded a series of competitive grants to Veteran advocates and organizations working in support of TVC's mission to assist Veterans in their efforts to start or grow a business.

TVC Development Grants

The Veterans Corporation (TVC) is seeking applications for the first year (FY 2008) of its Veteran Entrepreneurship Support grant initiative. This initiative will support educational projects and organizations that address the entrepreneurial needs of Veterans, including Service-Disabled Veterans and members of the Guard and reserve. Grant proposals may be written for programs or projects that fit into one or more of the program categories, which include education and outreach. Complete information about the

granting program is available online at www.veteranscorp.org/developmentgrants. TVC's complete grants program, including the grant application and award approval process, can be found in **Appendix A**.

The change from direct seed/start-up funding of Veteran Business Resource Centers (VBRC) to a granting program was necessary given the 25% reduction of TVC's FY 2007 appropriation from Congress. With this reduction TVC was forced to make critical decisions regarding the amounts of funding available for VBRC support. The Board made the decision to focus the limited funding on leveraging TVC's seed investments in Boston, St. Louis and Flint. The funds for each location were given as non-competitive grants in amounts equal to 80% of the FY 2006 funding levels. As such, funding levels for each of TVC's VBRC's during FY 2007 were as follows: Boston, \$180,000; St. Louis, \$140,000; and Flint, \$140,000. An additional grant was awarded to St. Louis in the amount of \$10,000 to support the "Boot Strap" education program administrative costs. **Appendix B** contains the quarterly reports of each of the VBRC's funded by TVC.

TVC Headquarters Veteran Business Resource Center Hub -- Staff Services and Outreach

TVC Headquarters staff members continue to serve as liaisons between Veterans and the small business programs, resources, and opportunities available to them by providing direct counseling, mentoring and guidance. In addition, TVC has leveraged the use of electronic delivery platforms in order to extend its programs and services to all Veterans, Service-Disabled Veterans, and Guard and Reserve members, regardless of their location.

TVC Headquarter Hub Activity Report (Oct 1, 2006 – Sep 30, 2007)
Outreach and Education:

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	YTD total
Kessler/NEC applications downloaded	-	-	-	-	-	-	79	74	80	192	157	116	425
Kessler/NEC applications submitted	-	-	-	-	-	17	6	5	11	11	13	5	68
Events with TVC presentation	1	1	1	4	4	1	3	4	4	2	3	1	29
Number of veterans attendees/advocates	50	300	359	100	670	700	20	230	1030	1336	775	70	5631
Number of online classes provided	1	0	0	0	0	9	0	0	0	44	41	14	109
Average # of visitors to ConnectsVets per	-	-	-	-	-	2046	1980	2046	1980	2046	2046	2046	14,124

month (estimated)													
ConnectVets/forum members	-	-	-	-	-	67	30	23	30	30	33	19	232
Virtual workshops	-	-	-	-	-	-	-	-	-	136	340	67	537
General Counseling	36	25	20	45	30	50	38	20	35	30	41	38	408
NEW STARTS	0	0	0	0	1	0	1	0	1	1	0	0	4

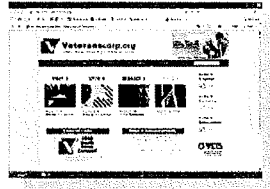
Access to Bonding: (TVC National Headquarters activity)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	YTD total
Questionnaire downloaded	-	-	-	-	133	117	129	97	166	219	178	114	1153
Questionnaire submitted	-	1	1	0	0	1	2	1	1	8	4	3	26
Number of new bonds	-	0	0	0	0	0	0	0	1	1	0	1	2
Total amount of new bonds	-	0	0	0	0	0	0	0	\$800k	\$3 mil.	0	\$2.9 mil.	\$6.7 mil.

Access to Capital: (TVC National Headquarters activity)

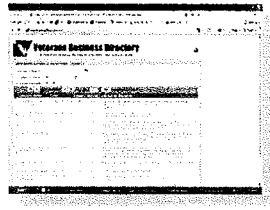
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	YTD total
Questionnaire downloaded	-	-	-	-	802	812	634	486	967	874	568	446	4575
Questionnaire submitted	5	6	5	15	7	27	27	28	35	30	10	21	216
General Financial Counseling	40	40	25	30	18	12	12	6	6	6	7	7	209
NEOF Referrals	1	2	2	6	0	8	10	5	4	20	7	8	Referrals: 73 Total Dollars: \$39 M
One-on-one mentoring	7	8	7	15	18	40	53	54	60	58	35	44	399
Number of loans facilitated	0	0	0	0	1	0	2	0	0	1	1	0	4
Funding Facilitated	0	0	0	0	\$15k	0	\$36k	0	0	\$100k	\$240k	0	\$391k
Number of loans denied	0	0	0	0	0	0	1	0	1	0	0	0	2

Electronic Delivery Platforms



Main web site www.veteranscorp.org

As in FY 2006, TVC's website enabled Veterans, Service Disabled Veterans, and Guard and reserve members around the world to connect with TVC's staff, programs, products and services. The sustained hits, unique visits, number of page views and time spent at the site are all key indicators that TVC is reaching the Veteran community. Overall interaction with the main site is up **110%, more than double**, from FY 2006. A complete set of charts on each indicator can be found in **Appendix C**.



Veterans Business Directory at www.veteransbusinessdirectory.org

Veteran companies want and need exposure for their products and services, and TVC's Business Directory continues to effectively provide that vehicle. During FY 2006, TVC's Board of Directors moved to align TVC's Business Directory with Veterans Administration's Center for Veterans Enterprise VIP (VetBiz Vendor Information Pages) database, which would enhance the opportunities for TVC members to obtain contracts or teaming partnerships with primes or other entities requiring the their products and services. Overall interaction with the Business Directory is up **331%, more than triple**, from FY 2006, and a complete set of charts on each indicator can be found in **Appendix D**.



ConnectVets On-line Forum at www.connectvets.com/forum/

In March of FY 2007, TVC introduced a peer-to-peer online discussion board entitled the **ConnectVets Business Forum**. The Forum was conceptualized as an online place for Veterans to share business information with each other. The business forum, which

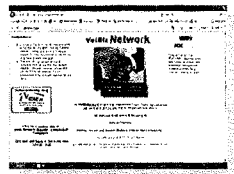
requires minimal funds, reaches a large number of Veterans and has experienced a very high rate of traffic as well as positive community feedback. On average, approximately 2,000 Veterans visit the forum each month. TVC is continually seeking new ways to encourage even greater Veteran participation in this project as it moves forward.

Statistics:

ConnectVets	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD total
Average No. of visitors to ConnectsVets per month (estimated)	-	-	-	-	-	2046	1980	2046	1980	2046	2046	14,124
ConnectVets/forum new members	-	-	-	-	-	67	30	23	30	30	33	200

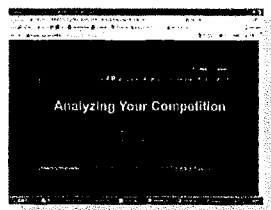
TVC's Partner Programs

Business/Contract Teaming Electronic Online Tool www.Vetbiznetwork.net



TVC has provided a grant to Vetbiznetwork.net to retain an online tool for Veterans. Since awarding the grant in March 2007, the network has aggressively pursued the development of Veteran and Service-Disabled Veteran teams. The network has created a teaming cooperative and provides SDVOB set-aside announcements. In addition, Vetbiznetwork.net maintains a forum for approximately 2,000 Veterans and service-disabled Veterans who have shared over 55,000 emails related to contracting opportunities since TVC's grant award. TVC looks forward to working with Vetbiznetwork.net in the future and continuing this opportunity for Veterans.

TVC & Virtual Advisor Team for Online E-Learning Workshops:



Adding to the rich mix of articles and instructional materials already present on TVC's website to assist Veterans in their entrepreneurial ventures, TVC has added a new online resource to support Veterans seeking information on specific entrepreneurial topics. As the result of a two-year licensing agreement with Virtual Advisor, TVC is now proud to present 26 interactive online workshops designed to help Veterans learn about specific components of running a business. Veterans now have free access via TVC's website to topics ranging from *Creating a Profit and Loss Statement* to *Personalization of Strategies to Attract and Retain Customers*. Recently launched, this program is already dwarfing usage of any other single online program offered by TVC. To further expand the user base of this program, TVC is preparing to offer it in Spanish in FY2008.

Complete list of Topics

- Developing a Business Plan
- Conducting a Marketing Analysis
- Analyze Your Competition
- Targeting Your Market
- Maintaining an Agile Company
- Creating a Competitive Advantage
- Creating a Strategic Plan
- Determining Your Business Legal Structure
- Protecting Your Business with Patents, Copyrights, and Trademarks
- Preparing a Cash Budget
- Preparing a Balance Sheet
- Managing Your Cash Flow
- Running a Profitable Company
- Creating a Profit and Loss Statement
- Analyzing Your Financial Ratios
- Assessing Your Company's Financial Needs
- Partners and Investors
- Valuing a Business
- Pricing Products and Services
- Building Your Brand
- Promoting Your Business
- Advertising Your Business
- Building a Web Site

- Personalization Strategies to Attract and Retain Customers
- Identifying Your Sales Strategy

Business Matchmaking FY 2007



Business Matchmaking is an initiative presented by co-sponsors SCORE and HP. Additional private sector companies provide co-sponsorship support throughout the year. Through the support of these organizations, Business Matchmaking is offered free to all small business participants. Other 2007 co-sponsors include Aflac, American Airlines, FedEx, The Latino Coalition, Lockheed Martin, National Merchant Center, and The Veterans Corporation. TVC is able to be a sponsor of Business Matchmaking thanks to an in-kind grant of \$160,000 made by Business Matchmaking.

This new program of TVC's outreach helps TVC close the loop of Veterans, Service-Disabled Veterans, and members of the Guard and Reserve being introduced to contracting opportunities. Through TVC's web presence and additional state based outreach events, TVC hopes to significantly add to the number of Veterans and Service-Disabled Veterans actively participating in Business Matchmaking.

Business Matchmaking combines education and counseling by expert small business advisors and topical experts with networking and face-to-face procurement appointments through regional events. In addition to the regional events, the Business Matchmaking Online Network offers online education tools such as the Virtual Business Matchmaking Workshop, monthly educational "webinars," important downloads and links, and, in select circumstances, Business Matchmaking provides small business owners with select access to buyers from government agencies and major corporations.

The components of Business Matchmaking are:

- Individual business counseling and guidance provided by SBA, SCORE, SBDCs and additional small business resource partners.
- Regional events providing education and training with face-to-face meetings between small business owners and managers with procurement representatives of large companies and federal, state and local agencies.

- The Business Matchmaking Online Network that includes online educational tools, webinars and a Matchmaking seller directory allowing buyers to search companies that match their procurement needs on an ongoing basis.
- A comprehensive web site, www.BusinessMatchmaking.com, which provides tools and resources for small businesses that are either active with procurement contracts or that wish to start exploring these opportunities.
- An extensive network of cooperative, participating procurement representatives from every Federal agency as well as state and local governments and major corporations. A list of organizations whose procurement representatives regularly support Business Matchmaking through their participation and active contract awards is available.

During FY 2007, five events were conducted in Ft. Lauderdale, FL; Atlanta, GA; Upper Marlboro, MD; Washington, DC; and Chicago, IL. More than 2,227 Veteran and Service-Disabled Veteran company matchmaking interview sessions were conducted during these events. Of the companies participating, 20% were Veteran owned companies, and 11% were Service-Disabled Veteran-owned companies.

FY 2007 Buyers/Procurement Representatives:

November - 2006 -- Ft. Lauderdale, Florida

Buyers - 160

Contracts awarded to date - \$36,970

April - 2007 -- Atlanta, Georgia

Buyers - 175

Contracts awarded to date - \$338,977

April - 2007 -- Office of Small Disadvantaged Business Utilization OSDBU, Maryland

Buyers - 95

No contract data available at this time

June 2007 -- 8th Annual Department of Energy Small Business Conference, Washington, DC

Buyers - 135

No contract data available at this time; however, running total for previous years is: \$53,220,430

August 2007 – Chicago, Illinois

Buyers - 141

No contract data available at this time

FY 2007 Sellers/Small Businesses:

Event	Sellers	Contacts	Meetings	Type Veteran	Type Service Disabled Veteran
Ft. Lauderdale November 2006	447	672	1,732	17% - 295 meetings	7% - 121 meetings
Atlanta April 2007	487	844	1,902	24% - 456 meetings	13% - 247 meetings
OSDBU April 2007	220	377	588	26% - 153 meetings	16% - 94 meetings
DOE June 2007	204	302	1,311	18% - 235 meetings	12% - 157 meetings
Chicago August 2007	505	841	1,650	15% - 248 meetings	7% - 116 meetings
Total	1,863	3,036	7,183	20% - 1,437	11% - 790

At each Business Matchmaking event that TVC attends, TVC staff takes part in plenary panels, make presentations, and remain available to answer questions from attendees. The key elements of TVC's presentations include TVC's Access to Capital and Access to Bonding programs. As Veteran participation Business Matchmaking events increases, TVC is making a concerted effort to directly participate in each event in order to alert Veterans of these and other key programs offered by TVC that can assist Veterans in securing contracts.

Owner-Operator Independent Drivers Association (OOIDA), Metropolitan Community College-Blue River (MCC) and TVC



TVC has long believed that Veterans comprise a significant percentage of long and short hauler drivers navigating the roads today, and this belief was confirmed when TVC launched a new partnership with the Owner-Operator Independent Drivers Association (OOIDA). According to OOIDA, 40% of their 190,000 members (or approximately 76,000 individuals) are Veterans.

To address this group of Veterans, TVC formed a partnership with both OOIDA and the Metropolitan Community College-Blue River (MCC) to provide entrepreneurial tools for Veterans and Service-Disabled Veterans who are or want to be long or short hauler drivers. The first stage of this partnership is to provide a three-day seminar designed to assist Veterans in meeting the many challenges that await the driver desiring to become an owner/operator. The seminar helps Veterans create a business plan, work out a budget, including costs and pay methods, and tackle other topics such as time management, insurance, taxes, business structures, leasing regulations, meet their driving plans, financing, record keeping, permits, licensing, authority and audits.

Funded scholarships, program summary



TVC is currently implementing D-VETS (Disabled Veterans Entrepreneurship Training Solutions) under two different grants for nationwide reach. D-VETS (Disabled Veterans Entrepreneurship Training Solutions) is a comprehensive entrepreneurial education and training program designed to help America's disabled Veterans thrive in small business ownership. Disabled Veterans require just-in-time learning that can be accessed anywhere and anytime, as well as a program that is flexible enough to meet their diverse needs and accommodate their individual skills and education. Because disabled Veterans face obstacles in accessing traditional education, D-VETS is offered entirely online, including online courses, comprehensive business mentoring via email, online access to capital and bonding programs, and more.

The D-VETS education component is designed to create the path to business success through four tiers of courses: basic skills, transition skills, career preparation skills, and entrepreneurship skills. In addition, D-VETS provides Veterans with a wide array of online tools and resources to help them in business ownership, including access to capital through TVC's partnership with NEOF (National Economic Opportunity Fund) and access to surety bonding through TVC's partnership with SFAA (Surety & Fidelity Association of America). D-VETS participants also have access to online business mentoring and counseling through SCORE, which provides free, confidential small business advice to new and established entrepreneurs by pairing business owners with knowledgeable mentors online who can respond to questions via email.

This program is being offered by the generous support of the Henry H. Kessler Foundation and the NEC Foundation of America. Through the Kessler Foundation, up to 300 disabled Veterans from the state of New Jersey are eligible for program scholarships. The NEC Foundation of America has made 200 scholarships available to disabled Veterans nationwide. As of October 10, 2007, 104 Veterans have already signed up to take advantage of this valuable program.

Deploy Proof Your Business



Boots2Business www.Boots2Business.com

Boots2Business is TVC's online education portal, which allows registrants to access a large number of courses and tutorials from the leading online education providers. Boots2Business is available free of charge to Veterans, Service-Disabled Veterans, members of the Guard and Reserve as well as their families through scholarships made available by grantors, such as the Henry H. Kessler Foundation and the NEC Foundation of America, as well as by TVC and other partners.

Boots2Business is designed to serve as a just-in-time learning tool for Veterans that allows participants to access the specific education courses they need when and where it is convenient for them. Traditional training programs have a fixed curriculum that often fails to cover the basic skills learners may need in order to continue; this program, however, is comprehensive and covers every topic from a range of levels. For example, courses designed to help Veterans write business plans are supplemented by business writing skills courses and basic writing courses that teach grammar and punctuation. Because the skill levels of Veterans are diverse and varying, this program is designed to accommodate a range of learners and allow them to learn at the level suited to their abilities.

In addition to providing Veterans access to just the specific courses and lessons they need to succeed, Boots2Business empowers Veterans to access their customized education program when and where it is convenient for them. By tracking user statistics during the pilot of TVC's online education program, TVC learned that the vast majority of Veteran participants logged on to TVC's education portal between the hours of 6:00PM on Friday through 5:00AM on Monday morning; weekday activity was heaviest in the evenings after 7:00PM. This data confirmed the need for educational content that is delivered to accommodate the mobility and time constraints of present day lifestyles. Boots2Business grants Veterans the unique opportunity to access leading educational content through non-traditional learning environments.

Veterans have the skills, discipline, and training from their experiences in the military to succeed as entrepreneurs, but they must have the education and career preparation to learn how to harness those strengths into self-employment ventures. Boots2Business is designed to sharpen Veterans' skills and create the path to entrepreneurial success through five tiers of education courses: basic skills, transition skills, workforce success

skills, entrepreneurial skills, and a family resource center. These five tiers are comprised of courses, tutorials, and practice exams from the leading online education providers.

We are currently working on the launch of the new Boots2Business site which will be user-friendly, dynamic, interactive and completely enhanced from the content to the structure of the site.

Deploy-Proof Your Business www.deployproof.com

Deploy Proof Your Business includes detailed sections covering a wide range of topics affecting business owners including:

- Learning to write a deployment plan and what to include
- Protecting yourself from legal and financial issues that may arise while you are gone
- Ensuring that your employees are aware of the deployment plan and are properly trained to work in your absence or have the referrals they need to move on if you decide to suspend business
- Storing or liquidating inventory while you are away
- Comparing the fixed and variable costs of business
- Securing your business, inventory, and customer accounts
- Utilizing the latest technology to help sustain your business
- Planning to return and re-launch your business

In addition, Deploy Proof Your Business is a referral guide to point Veterans to other valuable resources available, including the SBA, Department of Labor, and others. It is critical that Guard and reserve entrepreneurs have access to the best information available to them from all resources, because every business is unique and every situation requires its own set of tools in order to make the right decision. An example of a Veteran business owners view and use of this program follows.

*Statement of James A. Clair
Owner/Instructor
Ultimate Defensive Driving School*

*Before the Hearing of the
Subcommittee on
Investigations and Oversight
Committee on Small Business
United States House of Representatives*

Washington, D.C. May 2, 2007

My name is Jim Clair and I am the Owner/Instructor of the Ultimate Defensive Driving School in Cranberry Township, Pennsylvania. I am here today as a Veteran, a member of the Pennsylvania Army National Guard and a small business owner to provide my assessment of the needs of the troops currently returning from Iraq and Afghanistan who are looking to pursue entrepreneurial endeavors.

I served in the United States Marine Corps from 1983 - 1987. Soon thereafter, I began working for the United Parcel Service as a driver instructor and started my family. I have two teenage children and the thought of losing one of them to an automobile accident shook me. I've always had a love for teaching and it occurred to me that that business would combine both my entrepreneurial spirit and my passion for keeping kids safe. In 2006 I decided it was time to take my knowledge, experience and skills that I had developed in the Marine Corps and during my time with UPS and apply them to my dream; to teach members of my community the skills they need to keep them and their families safe on today's roadways.

While I was turning my dream into reality, I also joined the Pennsylvania National Guard in 2006 to serve my state and country in the War on Terror. Since 2001, more than 1.4 million American service members have served in the wars in Iraq and Afghanistan, of which 17,000 of these troops represented the Pennsylvania National Guard. The Pennsylvania National Guard is the sixth largest employer in the commonwealth with 19,000 members. The Pennsylvania National Guard is one of the largest National Guards in the nation. It has the largest Army National Guard of all the states and the fourth largest Air National Guard. With armories and air bases in some 90 communities – in 52 counties – our presence blankets the commonwealth.

When I am conducting my monthly and yearly training, I see the need for a program that assists Guard and Reservists prepare their business for an almost inevitable long-term deployment. TVC, in response to the requests by Guard and Reserve business owners and Congress, is providing Reservists and National Guard members and their families with pre/post deployment assistance to preserve family-owned small businesses.

Deploy Proof Your Business is an online tool designed to help members of the National Guard and Reserve forces who own small businesses. Absences away from a business are inevitable for members of the Guard and Reserve, whether due to training on the weekend or long-term deployments. Because many entrepreneurs are unprepared to leave their businesses, they are often forced to close down without a plan or the funds in place to re-launch the business when they return.

This guide is designed to help those business owners prepare for absences from their business in advance by helping them determine the best path for their business while they are away. Whether the decision is to sustain the business or to suspend or temporarily close the business, this guide will examine the options available and teach entrepreneurs what they need to do as they prepare for deployment.

Deploy Proof Your Business includes detailed sections covering a wide range of topics affecting business owners including:

- Learning to write a deployment plan and what to include
- Protecting yourself from legal and financial issues that may arise while you are gone
- Ensuring that your employees are aware of the deployment plan and are properly trained to work in your absence or have the referrals they need to move on if you decide to suspend business
- Storing or liquidating inventory while you are away
- Comparing the fixed and variable costs of business
- Securing your business, inventory, and customer accounts
- Utilizing the latest technology to help sustain your business
- Planning to return and re-launch your business

*In addition, **Deploy Proof Your Business** serves as a referral guide to point Veterans to other valuable resources available, including the SBA, Department of Labor, and others. It is critical that Guard and Reserve entrepreneurs have access to the best information available to them from all resources, because every business is unique and every situation requires its own set of tools in order to make the right decision.*

*TVC is proud to support America's National Guard and Reserve entrepreneurs with **Deploy Proof Your Business**.*

*Members of the National Guard and Reservists have shouldered a heavy load in the War on Terror. Guard and Reserve forces constitute a large percentage of those currently serving in Iraq and Afghanistan and many have experienced multiple deployments. As a Veteran of the United States Marine Corps and current member of the National Guard, I know how difficult it can be to start a business from the ground up, the real challenges facing Veteran Entrepreneurs and the obstacles that members of the Guard and Reserve face as small business owners. While I have yet to be deployed to Iraq or Afghanistan, I realize that deployment is a very real possibility and something I must prepare for as a business owner. After all, my family and the business count on it. I find comfort in knowing that there is a tool available in **Deploy Proof Your Business** that will prepare me in such a way that the Ultimate Defensive Driving School will be waiting for me, along with my family, upon my return.*

TVC Members and Mailing List



During FY07, over 3,250 Veterans signed up as free members of TVC, bringing our membership to 4,688 as of September 30, 2007. Further, TVC added over 54,000 new names and addresses of Veteran and Service Disabled Veteran businesses to its mailing list during the last quarter. TVC continues to publish and distribute veteranscorp.org REPORT to our entire membership and mailing lists. Each issue features programs and special events that TVC is directly involved with. Two issues from FY 2007 can be found in **Appendix E**.

TVC Reports (Hill Addition)

TVC has launched a new outreach program to the Hill called TVC Reports, which allows TVC staff to convey important information about TVC's programs and other announcements to important contacts on the Hill on as needed basis. TVC's first edition of TVC reports was distributed on September 17, 2007. The complete TVC Reports can be found in **Appendix F**.

Private Sector Funding Outreach

Private Senior Leadership Council

In an effort to expand TVC's funding beyond that of Congress and garner significant private sector funding, TCV has created a Private Senior Leadership Council, which will be led by Mr. Donald Gonneville of Gonneville Inc, in Dana Point, California. This Council, which is currently recruiting members who are committed to the mission of TVC and the Council, will be comprised of fifty private sector industry leaders and constituents who will focus exclusively on TVC's need for increased public awareness and outside finding. Their initial charge is to create the Committee of 100. In which each of 100 members will contribute \$10,000 for a period of at least three years in an effort to provide supplemental program funding for TVC.

Advisory Councils Charter

The formation of Advisory Councils was approved by TVC's Board of Directors at the October 30, 2005 Board Meeting. Each council is being constituted to inform, recommend and assist the Board on issues related to the individual council's area of expertise. The charter of each council is to support the on-going expansion of TVC's strategic programmatic for Veteran entrepreneurs wishing to start or grow their businesses. An complete outline of each council and their respective charter may be found in **Appendix G**.

Private Sector Leadership Advisory Council

Mission

The Private Sector Leadership Council functions as an outreach funding arm of TVC. Working with organizations, corporations and individuals, this council develops contacts and solicits the critical funding required to create and sustain the programs, products and service to support our nations Veterans, Service Disabled, Guard & Reserve entrepreneurs. This council also serves as the insight, guidance and advice on teaming opportunities as TVC expands program offerings. Special programs conducted throughout the year will expand the council's ability to raise private sector funds. Critical to this council's success is the establishment of a special committee under the direction of the council: **The COMMITTEE of 100**. Leading the council is Mr. Don Gonneville.

Council Chairman: Mr. Don Gonneville

Gonneville served with Special Forces operational "A" detachments at Ft. Bragg, NC, and in the Republic of Vietnam. He later served in Vietnam as company commander of a long-range reconnaissance company, and also commanded a mechanized Infantry company. For four years, he was an instructor at the United States Military Academy at West Point, NY. He also was an instructor of Officer Advanced Courses, and of the Army's Command and General Staff College.

The COMMITTEE of 100

The Committee of 100 will have an honorary chairman who gathers 100 business leaders from within and outside the Veteran community to donate a base of \$10,000.00 annually for a period of three years. Serving in the role of honorary chair is Mr. Chuck Ashman.

Chuck Ashman

Founder, CEO

Executive Producer, Business Matchmaking

Chuck is a veteran broadcast journalist, author and former president of Worldwide Marketing and Merchandising for 20th Century Fox Studios. He is an award-winning producer of television, online, in-flight audio and radio programming and has appeared on 60 Minutes, the Oprah Winfrey Show, the Today Show, Good Morning America, Nightline, Larry King, CrossFire and 20/20. He is also a recognized leader in senior management strategic planning, marketing execution and offline and online event production.



"HONORING AMERICA'S VETERAN ENTREPRENEURS" ESSAY CONTEST

Students nationwide submitted thoughtful essays nominating parents and grandparents to be chosen as "Veteran Entrepreneur of the Year". The first place winners from both age groups received a trip to Washington D.C., where they received their awards at a formal reception on March 1, 2007, honoring public and private sector leaders in advancing the cause of Veteran entrepreneurship. Both first place winners also received a \$500 United States Savings Bond to be used toward their education.

The first place essay for ages 16-18, submitted by Brittany Anne Clair of Pennsylvania, provided an inspiring look at her father, James A. Clair, a former United States Marine and current business owner who joined the Army National Guard at the age of 40 to make a positive impact on the Guard and on his country.

Carleen Sierra Nieman of Indiana earned first place for ages 12-15 for her essay nominating her father, Timothy Carl Nieman, a disabled Veteran who followed his dreams of entrepreneurship while supporting his country in the Indiana Guard Reserve.

In addition, ten Honorable Mention awards were handed out to students from across the country. Honorable Mention awardees received a \$50 United States Savings Bond to be used toward their education. **Appendix H** contains Ms. Clair's and Ms. Nieman's essays.

Honorable Mention Winners

Rachel Bacon, New Hampshire

Nomination: Brett Bacon

Morgan Bradford, Kansas

Nomination: Roderick Bradford

Lauren A. Daniels, Georgia

Nomination: Jerry F. Daniels

Zack Erpelding, Arizona

Nomination: Bryan P. Erpelding

Chynna McCaden, Virginia

Nomination: Rebecca McCaden

Jimmy McGuire, California

Nomination: Donnie McGuire

Anthony J. Savage, Massachusetts

Nomination: Jim Savage

Megan Self, Louisiana

Nomination: Robert Guy Hesser

Alex Ilagan Smallwood, Minnesota

Nomination: Paul Ha Smallwood

Crystal Waters, North Carolina

Nomination: Kenneth C. Waters



Veterans Virtual Business Incubator, a Partnership between TVC and BUZGate

The Veterans Virtual Business Incubator campaign is continuing to significantly serve all Veterans as shown by some of the key metrics over the past year:

- Almost 800,000 page views - building awareness for TVC within the BUZGate resource referral community
- Of these, well over 260,000 were direct content page views - BUZGate users viewing the direct content pages attributed sponsorship to the TVC
- Resulting in more than 20,000 direct and indirect referrals to TVC's website

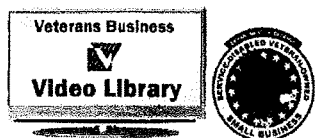
The campaign continues to make strong progress - valuable to BUZGate users as shown by the page views, and to Veterans Corp as shown by the referral exits. Clearly, this is continuing to be a very successful campaign - building visibility for TVC directly helps Veterans in there entrepreneurial pursuits.

Here is some additional information about BUZGate and some current initiatives that build visibility and velocity for BUZGate and TVC:

- **BUZGate Traffic Increasing** - Overall traffic is continuing to increase through outreach efforts, well placed PR, and strong reciprocal links. BUZGate velocity (visitor rate) has more than doubled in the past nine months, and is continuing to increase - even in the middle of the summer which is typically the slow season.
- **New BUZGate Sponsors** - Excellent new sponsors building value and reputation for the BUZGate sponsor content - First Data/Card Services International (Merchant Services), Bison.com (franchising), TalentDrive (Employee Sourcing), CommerceDirect (commercial mortgages), along with American Airlines Business ExtrAA, Salary.com, Amazon.com, SuccessFactors, Amex OPEN and others. As the sponsored content has grown, so has its value to BUZGate users and public sector resource providers - a single place where they can find and understand about the products and services that are critical to their success, and providers (sponsors) that they know they can trust
- **Partnering in New SMB Resource Portal** - BUZGate has partnered with IBM and the World Bank in the launch of a new international SMB business resource portal to provide a variety of content including various articles we have written and other content we have developed, along with important links to the BUZGate "Free Help" section, and selected sponsor content. I think that this will prove to be a very prestigious relationship, and one that will give great visibility to BUZGate and its sponsors, and will help a lot of small businesses in various countries to improve their operations and so, help their own local economy. Another true "win-win" for all.
- **Launch of Veterans eMentoring Initiative** - BUZGate has partnered with SCORE and TVC in an online eMentoring initiative to help veterans returning from Iraq and Afghanistan to start new or restart old businesses - Participants use a new web-based interactive self-diagnostic program we developed to learn whether they are suited to being in business and, if so, what they have to do to make it work - results are emailed to a SCORE eMentor who provides feedback and advice - The program is free to all users. Further building BUZGate and Sponsor credibility and value.
- **Helping At-Risk Youth** - BUZGate has partnered with JAG.org to help at-risk youth through an innovative business simulation program developed by BUZGate - Building BUZGate and Sponsor visibility.
- **Cooperative Marketing Initiatives** - BUZGate has significant reciprocal links from organizations such as SCORE (http://www.score.org/business_toolbox.html), Wall Street Journal/Entrepreneurship (<http://online.wsj.com/small-business>, click on "Local Business Help" in the middle of the page), The United States Association of Veteran's in Business (<http://www.usavetbiz.org/home.cfm>), Inc Magazine (<http://www.inc.com/inc5000/partners.html>) - and many more.
- **Great Press Coverage** - BUZGate has received great press which continues to increase BUZGate visitor rate - Forbes, Morningstar, Market Watch, Yahoo! Finance, AOL, Dallas Morning News, Banker and Tradesman, IBSA Worldwide, Pittsburgh Tribune Review, and others.

A complete report of FY 2007 TVC's Veterans Virtual Business Incubator activity is found in **Appendix I**.

**TVC Co-sponsorship of the Department of Defense 2006
Veterans Small Business Conference**



The *2006 Veterans and Service-Disabled Veteran-Owned Small Business Conference* was held December 4-7, 2006 Dallas Texas. The theme was "Veterans Doing Business with the Department of Defense." This conference was co-sponsored by TVC as a direct result of a GAO mandate placed on DoD that prohibited the agency from collecting registration fees or paying for facility and food & beverage. DoD circulated an RFP that TVC competed for and won. The event drew some 350 companies who participated in general sessions and breakout workshops. There was a small exhibit floor for primes and other service providers to present their respective opportunities and services. DoD video taped key session activities and TVC has included the video segments along with 43 PowerPoint presentations of this event.

**TVC Co-sponsorship Department of Energy's
8th Annual Small Business Conference**



TVC was asked by the Department of Energy to sponsor their 8th Annual Small Business Conference to be in compliance with a GAO ruling from FY 2006. TVC was happy to accommodate this event held in Washington, DC in June of FY 2007. TVC participated with a booth, speaking in Veteran Business break out sessions and coordinated all elements of the meeting to be in compliance with the GAO ruling.

With the success of the DOE and TVC partnership TVC has been asked to repeat this relationship for 2008. The event is scheduled for June, 2008 and will be held in San Antonio, Texas.

Ewing Marion Kauffman Center for Entrepreneurship Partnership



"Planning Your Entrepreneurial Venture" & "First Steps"

During FY 2007, TVC negotiated and expanded its role with the Ewing Marion Kauffman Foundation Center for Entrepreneurship. As a result of those negotiations,

TVC has been given unlimited, free access to Kauffman's "**Planning Your Entrepreneurial Venture**", a comprehensive business course that previously cost students a fee of \$150 through TVC's educational web links. Since announcing the change, enrollment in the course has increased by 770%.

TVC has also been asked to update Kauffman's "**First Step**" electronic entrepreneur program for the First Step Foundation. This work is planned for completion in the first Quarter of FY 2008. As with "Planning Your Entrepreneurial Venture" this is a FREE resource to all of TVC's membership.

The Kauffman Foundation has also extended unlimited use of its eVenturing www.eventuring.org series which expands many entrepreneurial horizons by hearing from and learning techniques and styles of business.

With the Kauffman Foundation's assistance, an agreement was obtained with Stanford University's popular *Entrepreneurial Educators Corner* program. This program is a free online service providing entrepreneurship resources for teaching and learning, the mission of which is to support and encourage faculty around the world who teach entrepreneurship, particularly to scientists and engineers. The site was developed by a dynamic team of educators, entrepreneurs, engineers and designers through the Stanford Technology Ventures Program (STVP). Via TVC's agreement, TVC and TVC's members now have full access to Video Entrepreneurial program segments also FREE to all of TVC's membership.

Finally, an additional agreement with Cornell University's *Premier Video Clip Collection* has provided TVC with access to over 5,000 clips pertaining to business, entrepreneurship, and leadership, along with 220 videos for classroom use and in keeping with all of TVC's entrepreneurial programs, FREE to our membership.

Music Within



During FY 2007 TVC was approached by our partner, the California Disabled Veteran Business Enterprise, CADVBE, to assist in making a new film *Music Within* available nationally to Veteran, Service Disabled Veterans and the Disabled Community at large. TVC in partnership with CADVBE and American Airlines co-hosted private pre-screenings of this film in a number of cities. The film is the true story of Richard Pimentel, a Service Disabled Vietnam Veteran who went on to facilitate the creation of the American's with Disability Act of 1988. The film premiered on October 19, 2007, and opened nationally on October 26, 2007.



During FY 2007 TVC was asked to contribute to the new on-line TurboTap program www.TurboTap.org for transitioning Regular and Guard & Reserve troops. In response to this request, TVC authored section "4B" of the Entrepreneurship/Business Ownership section. This section features real services, products and educational offerings only available through TVC.

Financial Information

Appendix J contains TVC's audited FY 2007 financial overview.

In Kind Gifts to TVC during FY 2007

During FY 2007 TVC received the following in kind gifts:

• Fried, Frank, Harris, Shriver & Jacobsen LLP	Donated Legal Services	\$ 88,297.00
• Westhall Education	Donated Services	\$ 17,824.00
• Google	Donated Services	\$ 5,014.00
		\$111,135.00

Board of Directors

Appendix K contains TVC's Board of Directors list for FY 2007.

Reappointment of Dr. Sam Metters as a member of TVC's Board of Directors

Dr. Samuel Metters, Chairman, Founder and CEO of Metters Industries was appointed by President Bush to a full six year term

Resignation of Jo Ann Webb from TVC's Board of Directors

Ms. Webb resigned her remaining term of service as a member of the Board of Directors on July 10, 2007.

TVC Elections of Officers for FY 2008 Term

In August, Jeffrey Gault, Virginia was elected Board Chair, with Gordon Brenner, Illinois was elected Vice Chair. Greg Rothman, Pennsylvania, remains as Treasurer. Executive Committee members elected were John Christensen, Utah; and Raymond Jardine, Hawaii.

Staff List

Appendix L contains the TVC staff list for FY 2007



**The Veterans Corporation
FY 2007
Recommendations and Conclusions**

TVC Board and staff remain concerned that some members of Congress and their staff continue to be locked into what they perceive to be the original intent of PL 106-50. There have been dramatic changes in the Veteran population since 1999 and the Veterans of today have new and different needs.

Forcing TVC to duplicate or replicate preexisting services such as those provided by Small Business Development Centers (SBDC), Procurement Technical Assistance Centers (PTAC) and Department of Labor One Stop Centers is not prudent use of taxpayer funds, much less the limited dollars given to TVC. The federal government is currently spending in over two hundred million dollars on these programs. All three programs can work with TVC to provide services directly to Veteran Entrepreneurs who are funneled through TVC portals. While TVC has opened and funded four to seven Veteran Business Resource Centers over the past several years, all face similar issues to those that TVC face nationally in terms of raising private funds as well as issues of limiting their services because of undercapitalized budgets. We have shared realistic budget figures of \$250,000 to \$500,000 per VBRC site with Hill staff.

Some Congressional members are calling for TVC to "provide assistance to veterans to gain access to Federal prime contracts and subcontracts." Our mission has been expanded with no real increase in federal funds. TVC will be happy to assist Veterans in this activity, our surety bonding program will help Veteran owned businesses achieve a higher level of success.

Any attempt to fund TVC through the SBA's Office of Veterans Business Development may mean that we lose our tax exempt status, or at the very least muddy the picture for future private sector contributions to our programs and services. In addition, losing our 501(c) 3 tax exempt status means TVC loses the surety bonding program, and the access to capital program which a government agency cannot sponsor.

TVC has made serious advances on a number of fronts in the past few years. We have instituted public/private programs beyond the funding capability of the Small Business Administration (SBA) addressing the two most important issues facing Veteran Entrepreneurs yesterday and tomorrow. In partnership with the Surety and Fidelity Association of America (SFAA), we have a fifty state program, a bonding education curriculum and a three step process for Veterans to secure the bonding they need on government contracts. Bonding is critical to those Service-Disabled Veteran Entrepreneurs and to the federal government, if the 3% goal, mandated by the President's

Executive Order, is to be achieved. TVC's partnership with SFAA is a complete solution of identification, qualification and casework follow-up as Veteran Entrepreneurs grow their businesses.

Access to capital for startup and infusion growth remains the number one need of Veteran Entrepreneurs. To address this issue TVC has created a second public/private partnership with the National Economic Opportunity Fund (NEOF.) These public/private partnerships are only possible because of TVC's status as a 501(c) 3 tax exempt organization. Both of these critical programs would be in jeopardy if TVC were placed in an agency environment.

Since 1999, TVC has attempted to fundraise from the private sector. In the summer of 2005, senior staff spent several weeks traveling the country and meeting with high-level executives from leading companies. All meetings were pleasant, but no dollars were forthcoming. We have told Hill staff since the fall of 2005 that we doubt TVC can ever become "self sufficient." TVC continues to seek private sector funds, and we are looking at several funding possibilities. TVC has applied for nearly \$50 million in private sector grants. In the past two years TVC has received slightly more than \$150,000 in cash and some in kind contributions. Congress should not tie our hands on fundraising while calling for our organization to be self sufficient. TVC has told Congress bluntly that it has to decide whether it wants to fund TVC's important efforts, or whether they want TVC to cease operations and close up shop.

TVC would welcome the addition of the Secretaries of Labor, Education and Commerce as an ex officio member of the Board of Directors; in addition TVC would ask that the VA and DOL be asked statutorily to notify all retiring members of the military services as well as Veterans about the programs and services of TVC.

In addition to these concerns, program updates and suggestions, TVC would like to address Congressional concerns regarding online education vs. face to face services. Online programs are just one part of Distance Learning. Distance Learning is an important knowledge delivery system that can reach more Veterans around the world and still deliver quality assistance. Within a context of rapid technological change and shifting market conditions, the American education system and TVC is challenged with providing increased educational opportunities without increased budgets. TVC (along with many educational institutions) is answering this challenge by developing distance education programs. TVC is continuing to develop additional partnerships with academic institutions, such as SUNY to deliver quality services through multiple delivery mechanisms to as many Veterans as possible. At its most basic level, distance education takes place when a teacher and student(s) are separated by physical distance, and technology (i.e., voice, video, data, and print), often in concert with face-to-face communication, is used to bridge the instructional gap. These types of programs can provide our Veterans with a second chance at a college education, reach those disadvantaged by limited time, distance or service-related or other physical disability, and update the knowledge base of American forces deployed overseas.

TVC's primary concern is that some members of Congress and their staff will force us to open, maintain and operate brick and mortar centers that we cannot fund and would serve only a small number of Veterans within a two hour drive time of any particular location. Our reports and metrics have consistently shown that these centers are less and less effective. We are operating in the 21st century environment where a combination of face to face services, and online and distance learning will serve the largest number of Veterans needing and wanting our services in all fifty states. TVC launched a Virtual Veterans Business Center in cooperation with SBA's Service Corps of Retired Executives (SCORE) to provide a nation-wide, market specific, person-to-person counseling service to Veterans not only in America, but deployed overseas. TVC has also launched a Virtual Business Incubator with the specific aim of helping National Guard and Reservists who own business and are currently deployed in Afghanistan and Iraq, or any place else in the world.

Quite simply, P.L. 106-50 as originally envisioned cannot be implemented. Creating Veteran Business Resource Centers with only \$1.410 million in federal funds would mean that only four centers funded at \$250,000 could be operated or three centers funded at \$500,000. This funding allows no overview of programs or center growth planning. This makes no sense given the limited dollars that TVC has been given by Congress, and given the reality that both TVC nationally and our VBRC's locally cannot realistically expect private matching dollars.

With \$2 - 4 million a year, TVC can serve as a catalyst, facilitator and clearinghouse of a national set of programs and services, serving Veterans in all fifty states. This will be achieved through partnerships with Veteran Service Organizations, The Surety and Fidelity Association of America, the National Economic Opportunity Fund, SUNY, SBDC's, PTAC's, DOL One Stop Centers, SCORE, SBA, VA, DoD, Congress and the White House. We can operate 21st century online and distance learning programs to serve Veterans everywhere.



TVC's new leadership has made extraordinary progress in support of the broad scope of issues facing Veteran Entrepreneurs. While embracing the already existing community network; TVC is providing critical support in dealing with the real obstacle facing Veteran Entrepreneur growth, i.e. access to capital and for those who wish to business with the federal and state government, bonding. It is critical to address all aspects and impediments faced by Veterans Entrepreneurs, today and in the future. TVC's knowledge and experience gained over these few years cannot and should not be ignored. TVC feels now more than ever that we know what will work and certainly what will not.


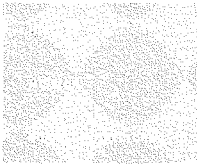
All of us can agree that 2008 is far different than 1999 when PL 106-50 was passed. None of us could have envisioned the world as we know it today. Hundreds of service people are returning from the Iraq and Afghanistan theaters, first to medically recover and then to return to their hometowns and families. TVC can help them. 300,000 members of the armed forces will exit this year; with more than 18,500 new Service-Disabled Veterans and the expected growth in these numbers before the end of conflict in Iraq and Afghanistan, the need for a complete set of entrepreneurial programs from TVC



is a must. TVC can help them. TVC's mission is even more important today than it was seven years ago. Honest professional people should be able to agree that the government must be a "forever" partner with a nimble entrepreneurial TVC where the best minds are brought together in partnership, public and private, to leverage scarce federal dollars to assist Veterans who want to start or grow a business. We cannot and should not duplicate or replicate existing services provided by current government funded services.


TVC can and will partner with these agencies. It makes sense, economically as well as politically; and will serve the most Veterans in all fifty states. We hope you would agree that when Veterans succeed, America succeeds.

APPENDIX A

 Veteranscorp.org DEVELOPMENT GRANTS	
ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
ABOUT TVC	
	<p>The Veterans Corporation is a 501(c)(3) non-profit organization dedicated to promoting entrepreneurial success for Veterans, Service-Disabled Veterans, and members of the National Guard and reserve nationwide. Toward that goal, TVC offers a wide range of programs and services to support Veterans in business, including education and training, access to capital, surety bonding, business mentoring, and more.</p> <p>Because TVC recognizes the efforts of other organizations that are actively contributing to the goal of Veteran entrepreneurial success, TVC has launched a development grants program, offering project-based grants to organizations nationwide who are offering business resources and support to Veterans starting or growing small businesses.</p> <p>Through these development grants, in addition to TVC's own programs, services and resources, TVC seeks to dramatically impact the hundreds of thousands of Veterans in business.</p>
<p>Where organizations partner for Veteran entrepreneurial success!</p>	

 Veteranscorp.org DEVELOPMENT GRANTS	
ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
ABOUT TVC	
	HISTORY <p>The National Veterans Business Development Corporation (doing business as The Veterans Corporation) is a federally-chartered 501(c)(3) non-profit organization that was created by Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999. This Act recognized that America has done too little to assist Veterans...in playing a greater role in the economy of the United States". The Corporation is charged with creating and enhancing entrepreneurial business opportunities for Veterans, including Service-Disabled Veterans. The Board of Directors is appointed by the President of the United States and provides governance over TVC.</p> <p>TVC provides Veterans with the tools and resources they need to be successful in business, including:</p> <ul style="list-style-type: none"> • Access to capital • Access to bonding • Entrepreneurial education • Business mentoring • Business resources and tools
	<p>Where organizations partner for Veteran entrepreneurial success!</p>

 Veteranscorp.org DEVELOPMENT GRANTS	
ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
ABOUT TVC	
	MISSION To create more prosperous communities and a stronger national economy by fostering entrepreneurship and business opportunities for Veterans, Service-Disabled Veterans, and members of the National Guard and reserve.
Where organizations partner for Veteran entrepreneurial success!	


Veteranscorp.org
DEVELOPMENT GRANTS

[ABOUT TVC](#) | [GRANT PROGRAMS](#) | [CURRENT RFP](#) | [APPLICATION GUIDELINES](#) | [ELIGIBILITY](#) | [FOR CURRENT GRANTEEES](#) | [HOME](#)

ABOUT TVC

BOARD MEMBERS

George J. Butvilas, Chairman of the Board
George J. Butvilas is Vice Chairman of the Board of Republic Bancorp, Inc. in Ann Arbor, MI. He is also Chairman of the Board of the Michigan Technological University Fund. Mr. Butvilas served in the United States Navy from 1967-1974. He received his B.S. from the United States Naval Academy in 1967 and his M.B.A. from Illinois Institute of Technology. He also completed the Advanced Management Program at Harvard University's Graduate School of Business.

Dr. Raymond Jardine, Vice Chairman of the Board
Dr. Jardine is President & CEO of Native Hawaiian Veterans, a Service-Disabled Veteran-Owned Small Business, which provides products and services in homeland security, emergency management, installation and logistic management, and information technology to government agencies. Dr. Jardine is a retired U.S. Army Colonel with over 32 years of service.

Richard A. Ochsner
Richard Ochsner has over 15 years experience in computer and electronic repair. A former instructor of component level computer repair and a former expert on Dateline NBC regarding computer fraud and misdiagnosis, Mr. Ochsner's experience in the computer industry is well reknowned. In 1989, he established ICHIBAN to serve the computer repair needs of government agencies and businesses in the Washington D.C. area. Mr. Ochsner is a Service-Disabled Veteran of the United States Air Force.

Gordon C. Brenner
Mr. Brenner, a combat-wounded Army Veteran of the Vietnam War, is the owner-operator of Brenner Vending Company and Special T's Jacket Embroidery businesses with his wife Diane. He currently serves as the Illinois State Commander and National POW-MIA Coordinator for the Military Order of the Purple Heart. He also serves as Chairman of the Macon County Veterans Assistance Commission and is a member of the Illinois Governor's Veterans Advisory Council.

Dr. Samuel Metters
Dr. Metters is Founder, Chairman & CEO of Metters Industries. The company, started in his basement in 1981, has become a thriving engineering firm with six offices nationwide and approximately 185 employees. Dr. Metters is a highly decorated retired (Reserved) U.S. Army Lieutenant Colonel.

William Gregory Rothman
Mr. Rothman is President, CEO & Chairman of the Board of RSR Realtors and RSR Appraisers & Analysts. RSR is one of central Pennsylvania's most versatile full-service real estate firms. Mr. Rothman served ten years as an enlisted member of the Marine Corps Reserve.

John Christensen
After graduating high school, Mr. Christensen joined the United States Air Force. After being honorably discharged, he spent 25 years in the automotive industry until

1989 when he formed his own company, VJ Environmental. In 1993, he acquired part ownership in RWM, Inc, a struggling manufacturing company. Today both companies are successful and contributing members of the community. For the past eight years, Mr. Christensen has chaired the Leadership Council for the National Federation of Independent Business (NFIB) for the state of Utah.

Jeffrey W. Gault

Jeff Gault is currently the Director of Potomac Operations for the Boeing Company Advanced Systems organization, and is involved in homeland security and defense-related business areas. A retired United States Army officer, he is an Operation Desert Shield/Desert Storm Veteran who served two Middle East deployments. He is a graduate of the United States Military Academy and holds advanced degrees from the University of Oklahoma, Middlebury College, and the Naval War College. He is the volunteer Chairman & CEO of the Army Scholarship Foundation.

EX-OFFICIO MEMBERS

Dr. Robert M. Gates, Secretary of Defense

Dr. Robert M. Gates was sworn in on December 18, 2006, as the 22nd Secretary of Defense. Before entering his present post, Secretary Gates was the President of Texas A&M University, the nation's seventh largest university. Prior to assuming the presidency of Texas A&M on August 1, 2002, he served as Interim Dean of the George Bush School of Government and Public Service at Texas A&M from 1999 to 2001. Secretary Gates served as Director of Central Intelligence from 1991 until 1993. Secretary Gates is the only career officer in CIA's history to rise from entry-level employee to Director. He served as Deputy Director of Central Intelligence from 1986 until 1989 and as Assistant to the President and Deputy National Security Adviser at the White House from January 20, 1989, until November 6, 1991, for President George H.W. Bush. Secretary Gates joined the Central Intelligence Agency in 1966 and spent nearly 27 years as an intelligence professional, serving six presidents. During that period, he spent nearly nine years at the National Security Council, The White House, serving four presidents of both political parties. Secretary Gates has been awarded the National Security Medal, the Presidential Citizens Medal, has twice received the National Intelligence Distinguished Service Medal, and has three times received CIA's highest award, the Distinguished Intelligence Medal. He is the author of the memoir, *From the Shadows: The Ultimate Insiders Story of Five Presidents and How They Won the Cold War*, published in 1996.

R. James Nicholson, Secretary of Veterans Affairs

R. James "Jim" Nicholson was nominated by President George W. Bush to serve as Secretary of Veterans Affairs on December 9, 2004, and was unanimously confirmed by the Senate on January 26, 2005. He was sworn into office on February 1, 2005. As Secretary of Veterans Affairs, Mr. Nicholson is the principal advocate for veterans in the U.S. government, ensuring that they receive the care, support, recognition and dignity they deserve for their service to our country. He also directs the Department of Veterans Affairs, the federal government's second largest Cabinet Department, responsible for a nationwide system of health care services, benefits programs, and national cemeteries for America's veterans and dependents. With a budget of more than \$69 billion for fiscal year 2005, VA employs approximately 230,000 people at hundreds of VA medical centers, clinics, nursing homes, benefits offices, and national cemeteries throughout the country. Prior to his nomination, Mr. Nicholson served as U.S. Ambassador to the Holy See, a position he held since 2001, where he became a well-known advocate in Rome for the elevation of human dignity, giving special emphasis to human trafficking, religious freedom, starvation and bio-tech food, HIV-AIDS, and international terrorism. He was knighted by Pope John Paul II in October 2003 for this work representing the U.S. to the Vatican.

Steven C. Preston, Administrator of the Small Business Administration

Steven C. Preston was confirmed by the U.S. Senate by unanimous consent on June 29, 2006 as the 22nd Administrator of the U.S. Small Business Administration. In this capacity, he oversees the delivery of financial and business development tools to America's entrepreneurs. With a portfolio of direct and guaranteed business loans, venture capital investments and disaster loans worth almost \$80 billion, SBA is the largest single financial backer and facilitator of technical assistance and contracting opportunities for the nation's small businesses. Preston is passionate about the opportunity for relevant public service presented by the President's nomination and

	the Senate's confirmation. With almost 25 years of experience in financial and operational leadership positions, Preston is committed to serving the small business community. Preston graduated with Highest Distinction from Northwestern University with a political science degree, and received an MBA from the University of Chicago Graduate School of Business. He also has studied at the Ludwig-Maximilians-Universität in Munich, Germany.
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Where organizations partner for Veteran entrepreneurial success!
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Veteranscorp.org
National Veterans Business Development Corporation
Grant Application Cover Sheet

Organization Information

Legal name of organization applying for grant: _____

Address of organization: _____

City: _____ State: _____ Zip: _____

Telephone number: _____ Fax number: _____

CEO/Executive Director: _____

Telephone number: _____ Email: _____

Grant contact person and title (if different): _____

Telephone number: _____ Email: _____

Is this your first grant request to TVC? Yes ☐ No ☐

Date last applied: _____ Funded? Yes ☐ No ☐ Amount: _____



Total organizational budget for current year: _____



Project Information

Project Title: _____


Total amount requested: _____ Dates covered by project budget: _____


Project description (100 words or less): _____

 Veteranscorp.org DEVELOPMENT GRANTS	
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FOR CURRENT GRANTEEES	
	<p>Grant status reports are due 15 days after the end of every quarter. TVC follows the Federal fiscal calendar. As such, reports are due on the following dates for the duration of your grant:</p> <p>October 15 January 15 April 15 July 15</p>
	<p>Reporting is required, and reports must be received prior to release of additional grant funding.</p>
	<p>Please mail all completed reports, including attachments, to:</p>
	<p>Mr. Patrick D. Bowers Education Program Manager The Veterans Corporation 1625 K Street, NW Suite 750 Washington, D.C. 20006</p>
<p>Questions about reporting requirements should be directed to Mr. Bowers at (202) 449-4687 or by email to pbowers@veteranscorp.org.</p>	
<p>Where organizations partner for Veteran entrepreneurial success!</p>	

 Veteranscorp.org DEVELOPMENT GRANTS	
ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
FOR CURRENT GRANTEEES	
	REPORTING STRUCTURE <p>The reporting package is designed to accurately report the progress of all grants and maintain required fiscal and programmatic oversight. Please add any supplemental information or materials that may be helpful in understanding your progress, and please add any press releases or publications related to the grant.</p> <p>A complete reporting package includes:</p> <ul style="list-style-type: none"> • Cover sheet (located under reporting forms) • Narrative • Financial Statements (budget template located under reporting forms) • Report Matrix (located under reporting forms) <p>Reporting Narrative Format - narratives should be no longer than 2 pages, excluding attachments, and should include the following sections:</p> <p>Section 1: Outcomes/Results What were the anticipated outcomes/results for this project for the quarter and what were the criteria for a successful project for the quarter? What were the actual outcomes/results for this project for the quarter? Assess the overall success of the project based on the above criteria.</p> <p>Section 2: Population Served For direct services provided through this project, how many individuals were served? What were the demographics of the population served (geographic location, socio-economic status, Service-Disabled Veteran status)?</p> <p>Section 3: Methodology Were there any changes in the planned activities or services provided through this project since funding was received? What, if any, challenges arose during this project and how were they overcome? How could these challenges be prevented in the future? What were the strengths and weaknesses of the project? Were there any unexpected outcomes?</p> <p>Financial Statements - please submit your organization's financial statements (balance sheet and income & expense statement) for the year in which the grant was issued. Please explain any significant changes in your financial position over the year.</p> <p>Please attach a detailed income and expense statement for the project or program that identifies primary sources of support as well as the original project budget. Any significant variances between the original project budget and the actual budget must be explained.</p> <p>Reporting Matrix - please complete the following reporting matrix in order to ensure that the effectiveness and impact of your project, along with your results, have been fully reported. The reporting matrix must contain the following:</p>

	<ul style="list-style-type: none">• Baseline measurements• Sources of information for evaluation• Data collection method• Process for future benchmarking• Follow-up procedures for long-term tracking and case management• Data and measurements for (as they pertain to your specific grant objectives) new business starts, business growth, facilitation of business funding, facilitation of bonding, and/or development of teaming or mentoring partnerships
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 Veteranscorp.org DEVELOPMENT GRANTS	
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FOR CURRENT GRANTEEES	
	REPORTING FORMS
	Use these forms to assist you in preparing your complete grant reporting package:
	Cover sheet Microsoft Word document PDF document
	Budget template Microsoft Excel document PDF document
	Matrix PDF Document
	Glossary of grant terms PDF document
Where organizations partner for Veteran entrepreneurial success!	

 Veteranscorp.org DEVELOPMENT GRANTS	
ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
ELIGIBILITY	
	Applicants for funding under TVC's Development Grants program must be United States 501(c)(3) organizations or other organizations identified as tax-exempt by the IRS. Grants will not be awarded to individuals or to organizations that serve an exclusively religious purpose.
Where organizations partner for Veteran entrepreneurial success!	



Veteranscorp.org

TVC Grantee Glossary of Terms

Administrative Costs (indirect costs or overhead): the expenses indirectly associated with the sponsored project that are related to a project but not easily and separately identifiable (e.g., utilities, clerical, office space); usually expressed as a percentage of total direct costs

Baseline: information gathered at the beginning of a project from which variations found in the study are measured

Benchmark: a standard against which measurements or comparisons can be made or a measurable achievement

Budget Justification (budget explanation): a clarification of the budget that explains how dollar amounts were determined

Budget: financial plan for conducting a project that should include whole dollar amounts

Budget Periods: intervals of time into which a project is divided for budgetary and reporting purposes

Business Starts: a business that has begun operation

Cost-benefit: getting the most and best service for the least cost

Deliverables: those products that are produced by a grant project and may be quantifiable achievements (i.e., enrollments) or singular outcomes (i.e., a curriculum)

Direct Costs: specific and identifiable costs of project operation; costs that are necessary for the administration and implementation of a funded project

Demographics: general characteristics used to define or segment a population, including age, gender, Veteran status, etc.

Duration Dates (project period): the start and end dates for a project that define the period during which allowable project costs may be charged

Evaluation: an assessment of what was, or was not, accomplished by a project presenting both qualitative and quantitative data; a comparison of project objectives and actual project outcomes

Facilitation of Funding, Bonding, and Contracting: a direct role in helping the client obtain funding, bonding or a contract

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The National Veterans Business Development Corporation

Final Report: a combination of programmatic, technical, and financial results; a summary of project implementation including an evaluation of the degree to which objectives have been met

Methodology: systems established, usually at the start of a project, to keep track of project operations so that its effectiveness and efficiency can be analyzed later.

Monitoring: a grantor's review and evaluation of specific aspects of a grantee's activities under a grant agreement.

Narrative: the written portion of your grant

Objectives: specific statements of anticipated project outcomes or products; what will be produced as a result of the project having been funded; not a definition of project activities to be conducted during the project; should be measurable and directly related to project evaluation, need statement, and budget

Outcome: the results (or expected results) of your project

Outreach: an active effort by program staff to encourage individuals in the designated service delivery area to take advantage of program services



Performance Funding: based on the timely submission of deliverables according to the specifications negotiated


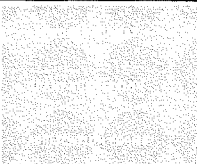
Qualitative Data: data that cannot be measured, such as the results of attitude inventories, case studies, or questionnaires that tell you how people are feeling or behaving.

Quantitative Data: statistics that can be counted or measured, such as test scores, enrollment numbers, and business starts



Target Area: geographic area, such as a city, neighborhood, county, or certain census tracts





 Veteranscorp.org DEVELOPMENT GRANTS	
ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
APPLICATION GUIDELINES	
	<p>Submitted grant applications must follow the format outlined on this site. Proposals submitted under specific RFPs might have application requirements in addition to those outlined under the Proposal Format page. Please pay specific attention to RFPs for special application guidelines, if applicable.</p>
	<p>Applications submitted under general program grants should follow the guidelines posted on this site.</p>
	<p>All of the necessary information and forms needed to apply for funding are provided on this site. If you have any questions, please contact Mr. Patrick Bowers at (202) 449-4687. Please do not call to inquire about the status of a grant application. You will be notified if your grant application is selected for funding.</p>
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APPLICATION GUIDELINES	
	PROPOSAL FORMAT All proposals submitted for funding consideration must follow the prescribed format. Any proposals not conforming to this format will not be considered for funding. Cover sheet - a completed cover letter detailing the amount of money requested and the grant period, signed by the person responsible for signing grant contracts on behalf of the applicant. The blank cover sheet can be found under Application Forms. Proposal Summary (1 page) - briefly explain your organization's proposed overall strategy, the outcomes you hope to achieve, the timeline for this project, how funds will be spent, and the total dollar amount requested. Narrative (no longer than 10 pages, not including financial information) - should address the following: <ul style="list-style-type: none"> • A brief introduction to your organization including its history, total budget, and demographics of Veteran population served (geographic location, socio-economic status, and Service-Disabled status) • Project description including unique elements of the project, the project's feasibility and sustainability, and the methodology and implementation strategies for the project • Organizational relationships, both informal and formal, with other groups working to meet the same needs or providing similar services, collaborative partners, and other working partners for this project • Proposed staffing pattern for this project, including names and titles of individuals playing key roles • A timeline providing the anticipated length of project along with tasks and schedule for the entire project (note: proposed projects may not exceed 12 months in length or seek funding for multiple years) • An evaluation plan explaining how the effectiveness and impact of project will be measured, the criteria for a successful program, and the results you expect to have achieved by the end of the funding period
	Financial information - provide a detailed line-item budget for the program showing all projected/confirmed sources and amounts of funding toward the program for the proposed grant period. Up to 10% budget allocation can be included for indirect expenses. If the request does not cover the complete cost of the budget, provide a strategy to secure full funding for the project and/or other confirmed fund sources.
	Required financial documentation - include the most recent organizational budget based on fiscal year as well as your organization's most recently audited financial statements and 990 form.
	Additional required documentation - the following documents must be included as attachments (does not count against 10 page narrative limit): <ul style="list-style-type: none"> • List of Board of Directors and their affiliations

	<ul style="list-style-type: none">• Copy of federal tax-exempt determination letter• Resumes of key staff members on project• Most recent annual report
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APPLICATION GUIDELINES	
	GRANT SUBMISSION & NOTIFICATION
	<p>Please send an original blue-ink signed copy of the complete grant application package bound with clip (do not staple) as well as one (1) hard copy of the complete grant application package (may be stapled). Do not send more than one copy of attachments and other supporting materials such as annual reports, audit reports, etc.</p>
	<p>We will not accept any proposals by fax or email.</p>
	<p>Mail completed grant application packages to:</p>
	<p>Mr. Patrick D. Bowers Education Program Manager The Veterans Corporation 1625 K Street, N.W. Suite 750 Washington, D.C. 20006</p>
	<p>TVC will review your proposal for evidence of quality, accountability, and soundness of program design. Fiscal management and organizational capacity will also be reviewed. A priority is placed on programs serving large or underserved Veteran populations with innovative and effective entrepreneurial solutions.</p>
	<p>Successful grant applicants will be notified by an official award letter with instructions on when performance under the terms of the grant may begin. Before the actual grant award, TVC may enter into negotiations concerning such items as program components, funding levels, and administrative systems.</p>
	<p>If you have any additional questions about the submission of your grant, please contact Mr. Bowers at (202) 449-4687 or by email at pbowers@veteranscorp.org. Please do not contact us to inquire about the status of your application. You will be notified if your grant application is selected for funding.</p>
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APPLICATION GUIDELINES	
	APPLICATION FORMS Use these forms to assist you in preparing your complete grant application: Cover sheet Microsoft Word Document PDF Document Glossary of Grant Terms PDF Document
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<p>Where organizations partner for Veteran entrepreneurial success!</p>	
<p>The first cycle of the Veteran Entrepreneurship Support grant initiative has closed. Thank you to everyone who submitted an application. The grants committee is working hard to make final funding decisions. At this time, The Veterans Corporation (TVC) is no longer accepting applications for this program. Please check back to this website to find out when the next grant cycle is announced.</p> <p>The Veteran Entrepreneurship Support grant initiative is designed to support educational projects and organizations that address the entrepreneurial needs of Veterans, including Service-Disabled Veterans and members of the National Guard and reserve forces, who are starting or growing small businesses or preparing a business for deployment.</p> <p>Organizations may apply for general program grants in two program categories (education and outreach) or for specific grants highlighted in open RFPs. This site contains full information regarding eligibility, application requirements, and submission procedures. In addition, current grantees can reference this site for full reporting requirements and report templates.</p> <p>The Veterans Corporation looks forward to working with you toward the goal of Veteran entrepreneurial success!</p>	

REPORTING MATRIX

Please use the following matrix to ensure you have submitted a complete data report.

Education	Examples of Programs
Transitioning Preparation	<p>Programs designed to deliver entrepreneurial education to deployed National Guards / Reservists / Veterans.</p> <p>Reporting will include:</p> <ul style="list-style-type: none"> • Number of attending/completing veterans • Number of instruction hours • Number of attendee hours • Number and length of Course • Number of Classes within course • Enrollment list
Classroom Programs	<p>Programs designed to deliver entrepreneurial educational coursework to veterans wanting to start or grow their own business.</p> <p>Reporting will include:</p> <ul style="list-style-type: none"> • Number of attending/completing veterans • Number of instruction hours • Number of attendee hours • Number and length of Course • Number of Classes within course • Enrollment list
Outreach	Examples of Programs
Business Start-up and growth counseling	<p>Programs designed to help veterans develop a business plan and grow their businesses, including follow-up casework.</p> <p>Reporting will include:</p> <ul style="list-style-type: none"> • number of business starts/terminations/bankruptcies • Number of employees retained and/or increased • Number and value of loans demanded and obtained

Professional Seminars / Workshops	<p>Programs designed to educate veterans on how to enter particular professional fields and markets, for instance government contracting or SD contracts.</p> <p>Reporting will include:</p> <ul style="list-style-type: none"> • Veteran attendance roster • Number of instruction hours • Function focus
Teaming/Mentoring	<p>Programs designed to help Veteran business team with other businesses and move from secondary subcontractor to prime contractor.</p> <p>Reporting will include:</p> <ul style="list-style-type: none"> • Number of successful teaming • Casework growth on contracts obtained (such as number of additional employees hired, size of contract)
Transition Assistance Program	<p>Programs designed to help veterans exiting the military develop a business plan and start their own businesses, including follow-up casework.</p> <p>Reporting will include:</p> <ul style="list-style-type: none"> • number of business starts/terminations/bankruptcies • Number of employees retained and/or increased • Number and value of loans demanded and obtained

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ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
GRANT PROGRAMS	
	<p>Grant proposals may be submitted under general program categories or under a current RFP if there is one open. Proposals submitted under RFPs may have requirements or program elements not outlined here. Please follow the RFP for instructions.</p> <p>General program grant proposals may be written for projects or programs fitting into one or more of the general program categories. Each general program category has a list of approved program activities. Proposed programs or projects may include one or more activities from this list and may also include activities not on this list that fall within the scope of the program category. General program categories are:</p> <p>Education</p> <ul style="list-style-type: none"> • Transition preparation - programs designed to deliver entrepreneurial education to deployed active duty military, including National guard and Reserve • Classroom programs - programs designed to deliver entrepreneurial educational coursework to Veterans interested in starting or growing a small business <p>Outreach</p> <ul style="list-style-type: none"> • Business start-up/growth counseling - programs designed to help Veterans develop a business plan or grow their businesses, including follow-up casework • Professional seminars/workshops - programs designed to educate Veterans on particular aspects of business that do not fall under the category of education courses • Teaming/mentoring - programs designed to help Veteran businesses team with other businesses and become prime contractors • Transition assistance - programs designed to help Veterans exiting the military become entrepreneurs <p>No multi-year grant proposals will be accepted under general program grants. Grants may not be written for periods of more than twelve months. Multi-year projects will not be accepted. The maximum grant award is \$50,000. Organizations submitting a project that requires funding above these levels must include a comprehensive plan for securing the remaining funds. Organizations may submit applications for more than one project if they fall under general program guidelines.</p>
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The Veterans Corporation
Grant
Budget Report

Grantee: _____ Period Covered _____

Category	Approved Budget-Year 1	Actual to date
A. Personnel (Itemize all positions, percentage of time, salary, names 1. 2. 3. Fringe Benefits (specify rate and base)		
Subtotal		
B. Consultants		
Subtotal		
C. Travel		
Subtotal		
D. Supplies (itemize by category)		
Subtotal		
E. Publications (production and dissemination)		
Subtotal		
F. Equipment		
Subtotal		
G. Other Expenses (itemize)		
Subtotal		
Direct Costs (sum of A through G) Indirect Costs (Specify rate and base)		
Subtotal		
H. Subcontractors		
Subtotal		
Total Expenditures (subtotal + H)		

I certify that the statements made in this report are true and that the expenditures have been made within the provisions for the purposes approved.

Project Director Date: _____

Fiscal Officer Date: _____



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Reporting Cover Sheet

This report must be signed and returned with a completed reporting package.

Legal Name of Reporting Organization: _____

Dates of report: _____ through _____

Executive Director/CEO: _____

Email: _____ Phone: _____ Fax: _____

Contact Person/Title (if different): _____

Email: _____ Phone: _____ Fax: _____

Organization Address: _____

City: _____ State: _____ Zip: _____

Project/Program Name: _____

Amount of Contract: \$ _____

Have there been any changes to your 501(c)(3) not-for-profit status since you were
awarded this contract? ☐ Yes ☐ No If yes, please explain:

I hereby certify that the above and attached statements are true and accurate.

Signature of Executive Director
or Authorized Board Member

Date

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ABOUT TVC GRANT PROGRAMS CURRENT RFP APPLICATION GUIDELINES ELIGIBILITY FOR CURRENT GRANTEEES HOME	
CURRENT RFP	
	<p>The first cycle of the Veteran Entrepreneurship Support grant initiative has closed. Thank you to everyone who submitted an application. The grants committee is working hard to make final funding decisions. At this time, The Veterans Corporation (TVC) is no longer accepting applications for this program. Please check back to this website to find out when the next grant cycle is announced.</p>
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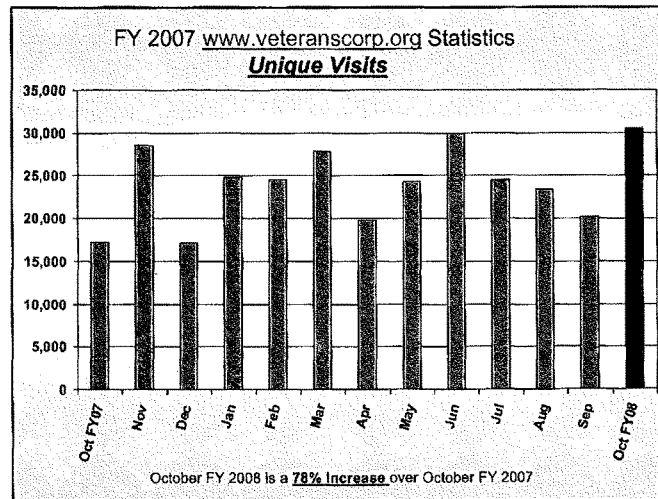
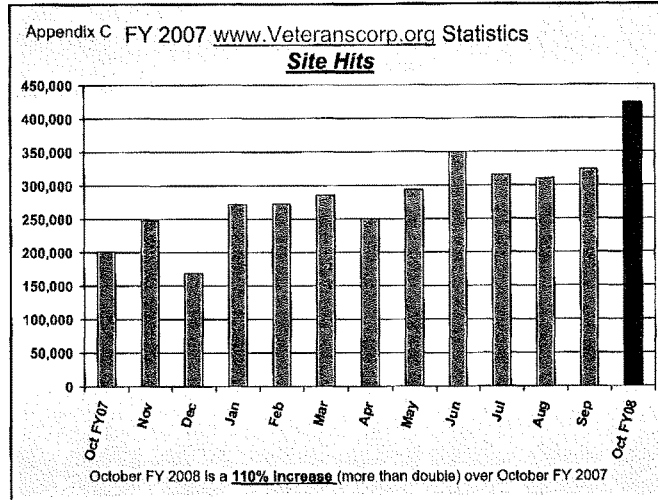
APPENDIX B

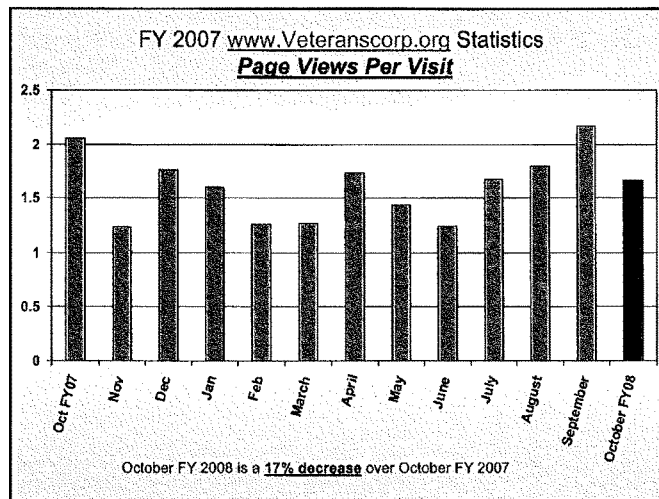
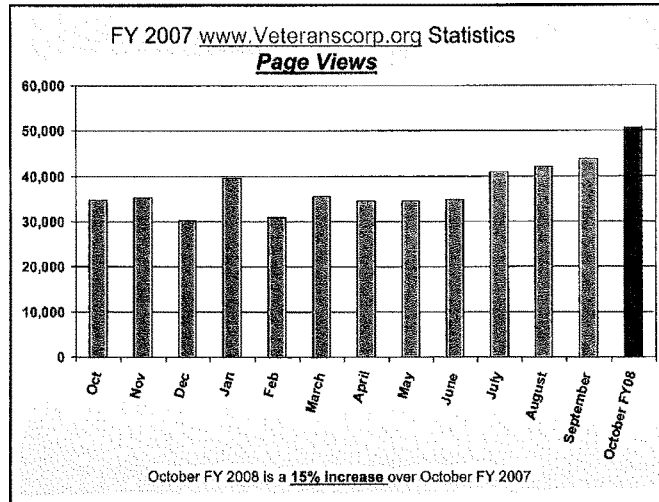
TVC VBRC Grant Activity Report – FY 2007 **Appendix B.**

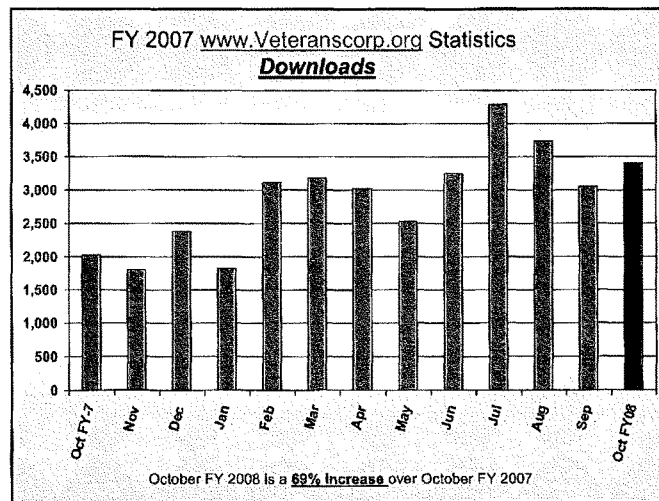
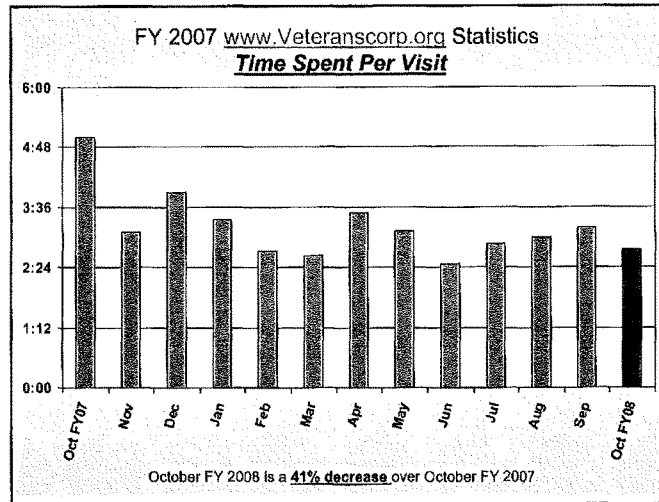
Activity	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	Flint TOTAL	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	Boston TOTAL	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	St. Louis TOTAL
New Starts	1	0	0	3	4	1	6 (audited)	4	0	11	13	27 (refused to provide supporting evidence)	2	13	55
Funding Facilitated	0	0	0	\$250k	\$250k	0	0	0	0	0	\$240K	\$157k	\$54k	\$176K	\$627k
Teamings	0	0	0	0	0	0	0	4	0	4	2	1	0	1	4
Contracts Facilitated	12 / \$9.15	3 / \$16k	5 / \$267k	0	20 contracts \$9.45 million	0	0	0	0	0	0	0	0	0	0
Education Course Students (continuing classes)	0	0	0	0	0	0	0	0	61	61 Veterans Students	0	0	0	51	181 Veterans Students
TAP/Seminars/Workshops Attendees	0	0	49	127	176	0	0	348	0	348 Veteran Attendees	74	88	164	178	504 Veteran Attendees
Attendee Hours in TAP/Sem./Wksh.	0	0	96	244	340 Hours	0	0	696	0	696 Hours	74	88	164	178	504 Hours

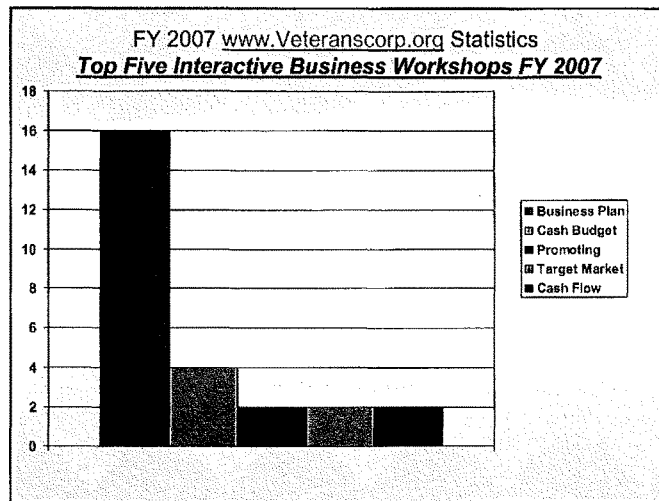
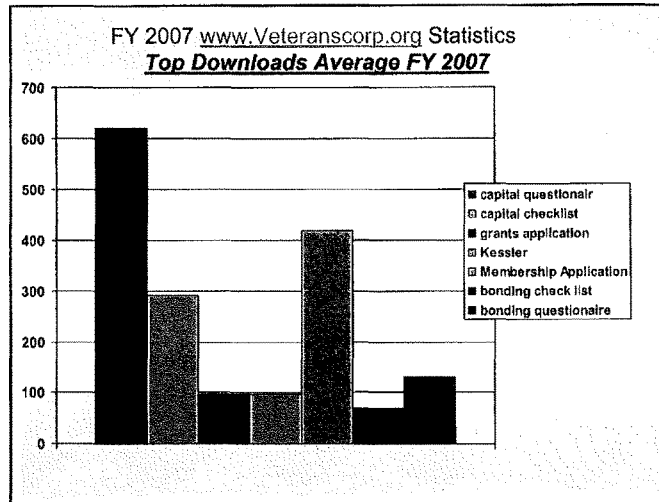
	Funding Disbursements						1 st Q.	1 st Qtr TOTAL	2 nd Q.	2 nd Q. TOTAL	3 rd Q.	3 rd Q. TOTAL	4 th Q.	YTD TOTAL
Flint	FY 2007 non competitive transition grant \$140k FY 2006 funding \$180k						\$31,250	\$31,250	\$36,250	\$67,500	\$36,250	\$103,750	\$36,250	\$140,000
Boston	FY 2007 non competitive transition grant \$180k FY 2006 funding \$225k						\$31,250	\$31,250	\$49,583	\$80,833	\$49,583	\$130,416	\$49,584	\$180,000
St. Louis	FY 2007 non competitive transition grant \$140k FY 2006 funding \$180k Bootstrap grant \$10k						\$31,250	\$31,250	\$36,250	\$67,500	\$36,250	\$113,750	\$36,250	\$150,000
							\$0	\$0	\$0	\$0	\$10,000	\$113,750	\$36,250	\$150,000
							grant	grant	grant	grant				

APPENDIX C

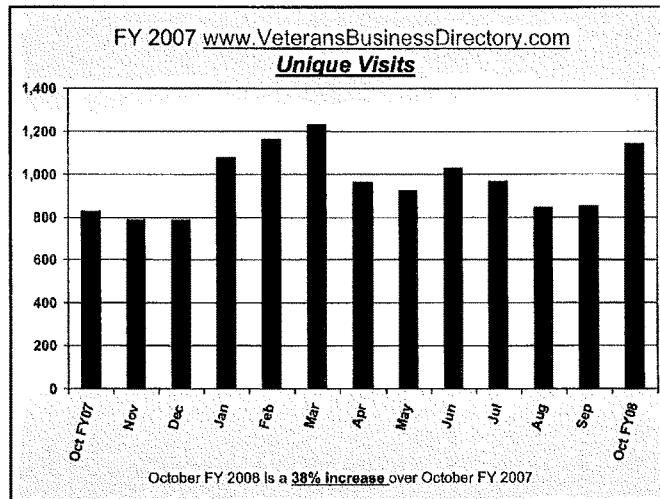
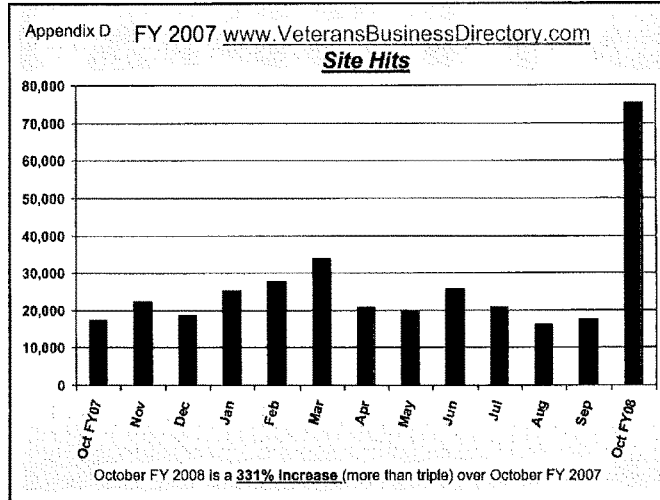


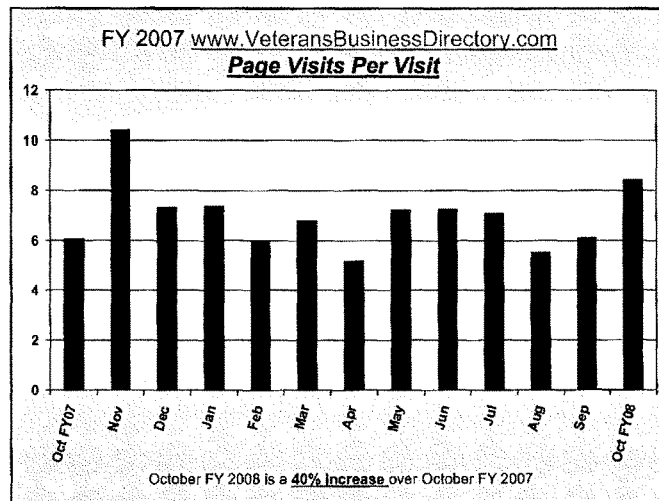
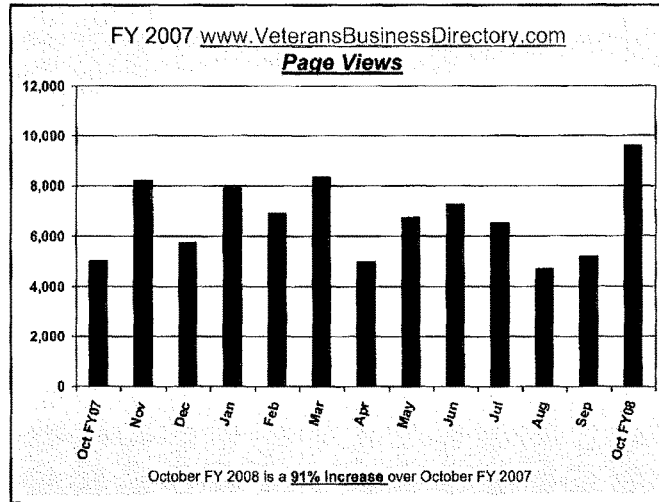


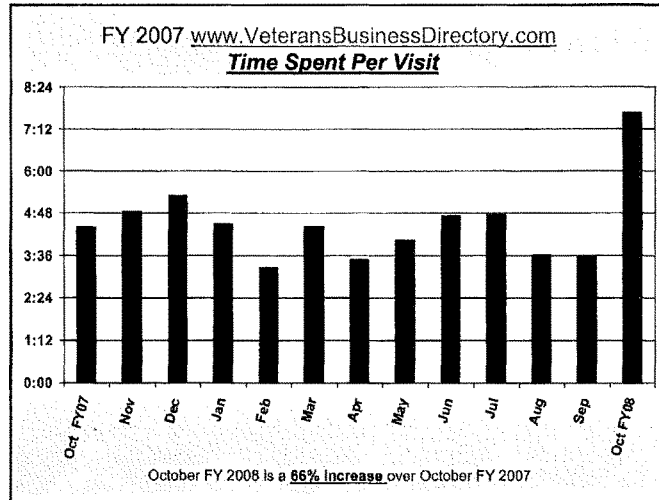






APPENDIX D







APPENDIX E

 veteranscorp.org REPORT	<p>"Where Veteran entrepreneurs partner for success!"</p> <p>Issue 3, February 2007</p>
<p>TVC RECEIVES GRANT FROM HENRY H. KESSLER FOUNDATION The Kessler Foundation joins TVC in supporting disabled Veterans in business</p> <p>The Veterans Corporation is pleased to announce the Henry H. Kessler Foundation has awarded TVC a \$100,000 grant. The funds will be used to provide free business education, counseling, and other services to hundreds of Service-Disabled Veterans in New Jersey who are interested in starting or growing a small business.</p> <p>"We are thrilled with the grant from the Kessler Foundation," said Walt Blackwell, President and CEO of The Veterans Corporation. "As a result of the Foundation's generosity, TVC can now reach out to the more than 60,000 Service-Disabled Veterans in New Jersey with the tools and resources they need to succeed in business."</p> <p>The Kessler Foundation grant will enable TVC to provide New Jersey's Service-Disabled Veteran entrepreneurs with a comprehensive program designed to help them in all stages of business ownership, from start-up to expansion. The mission of the program is to foster and promote opportunities for Service-Disabled Veterans to gain self-sufficiency through entrepreneurship, as it provides the flexibility and independence associated with self-employment, as well as freedom from access-related obstacles such as transportation, fatigue, and inaccessible work environments.</p> <p>"We envision this program helping Service-Disabled Veterans to create thriving businesses by capitalizing on the skills and knowledge they earned through their experience in the military, such as leadership, commitment, and resourcefulness," Mr. Blackwell said.</p> <p>TVC launched this program formally on January 1, 2007, and is offering Service-Disabled Veterans in New Jersey, including transitioning active duty and members of the National Guard and Reserve, one-on-one business mentoring, access to online education, financial counseling, surety bonding training, and other valuable business resources.</p> <p>To learn more about the programs and services TVC provides, or if you are a Service-Disabled Veteran from New Jersey interested in participating in this program, please contact The Veterans Corporation toll-free at 866-283-8267</p>	<p>HONORING AMERICA'S VETERAN ENTREPRENEURS First Annual Youth Essay Contest</p> <p>TVC is inviting children and grandchildren of Veteran business owners and operators from across the nation to submit original essays about why their parent or grandparent deserves to be named "Veteran Entrepreneur of the Year".</p> <p>Winners will be chosen by a panel of distinguished judges comprised of the spouses of key congressional members.</p> <p>The first-place winner will be invited to accept the award at the Honoring America's Veteran Entrepreneurs Reception and Awards Ceremony, March 1, 2007, in Washington, DC. This event is part of Entrepreneurship Week USA.</p> <p>The contest is open to all US students ages 12-18. Essays must be no more than 1,000 words in length and must be the original work of the entrant. Essays must be postmarked or emailed by February 16, 2007. For complete contest rules and to download the official contest entry form, visit www.veteranscorp.org/essaycontest.</p> <p>WHITE HOUSE APPOINTMENTS President appoints new members to TVC's Board of Directors</p> <p>On September 22, 2006, the White House appointed two new members to TVC's Board of Directors: Mr. Jeffrey W. Gault of Virginia and Mr. Donald G. "John" Christensen of Utah.</p> <div data-bbox="998 1270 1063 1365">  </div> <p>Mr. Gault is currently Director of Potomac Operations for the Boeing Company Advanced Systems organization and is involved in security and defense-related business areas. A retired United States Army officer, he is an Operation Desert Shield/Desert Storm Veteran who served two Middle East deployments. He is a graduate of the United States Military Academy, and he holds advanced degrees from the University of Oklahoma, Middlebury College, and the Naval War College.</p>
<p>TVC MEMBER SUCCEEDS THROUGH HARDWORK From the military to the business world, entrepreneurship proves to be a "life-changing experience"</p> <p>Charmaine Duncan Burnett enlisted in the Air Force in December 1977, beginning what she calls a "life-changing experience". In the military, she learned never to accept "no" for an answer, never to give up, always to do a great job when given the opportunity, and always to respect her country and its people.</p> <p>By August 2000, Charmaine's health had deteriorated to the point where it became hard for her to function in the daily activities of her Air Force work environment. So, after nearly 23 years of service, Charmaine retired due to medical disability at the rank of Master Sergeant. "If I could, I would do it all over again," she says.</p> <p>The attributes Charmaine had acquired during more than two decades of service in the Armed Forces served her well when she decided to start her own contracting business, Hubzone Corporation, in 2002. Charmaine says her first two years were spent building her company's infrastructure and acquiring licenses, certifications and training.</p> <p>Charmaine is a strong, faithful person. Still, she says, it wasn't easy. Being a woman in a male-dominated field, being black, and being a small business owner were all challenges she had to face (and is still facing). In the beginning, she attended lots of conferences and seminars, where she learned how to market her company, what government agencies were looking for, and that she</p>	

needed to be dogged in contacting agencies again and again. She also learned that her Service-Disabled Veteran status could give her an advantage in bidding on government contracts. Charmaine made sure all of her business permits and certificates were in her name "so there would not be any doubt about who was running the company".

With all of this in her toolbox, Charmaine landed her first small government contract in 2004 with the Department of Justice. Banking on this successful project, Hubzone bid and won a larger contract with the Los Angeles Air Force Base. "They were willing to give us an opportunity to prove ourselves," says Charmaine. That project proved to be a springboard to subsequent contracts with the VA, Marines, Department of Forestry, Drug Enforcement Agency, and prime contractors.

Taking advantage of every opportunity to improve her business, Charmaine joined The Veterans Corporation because of the programs offered to help small businesses. "I can always call and speak with a live person, and they answer all of my questions," she says. "They have the Veteran's needs in mind at all times. They know our struggles, what it takes to start and grow a small business. They give us the tools to do it. And they are our voice when we can't speak."

Learn more about Hubzone Corporation online at <http://www.hubzonecorporation.com>.

A member profile will be offered in each issue of the TVC newsletter. TVC members who would like to be considered may send their names and brief stories to scupiczi@veteranuscorp.org.




Mr. Christensen joined the United States Air Force upon graduating high school. After being honorably discharged, he spent 25 years in the automotive industry until 1989 when he formed his own company, VJ Environmental. In 1993, he acquired part ownership in RWM, Inc., a struggling manufacturing company. Today, both companies are successful and contributing members of the community. Mr. Christensen was an elected member of the Murray City Council from 1999 to 2003, and for the past eight years, he has chaired the Leadership Council for the National Federation of Independent Business (NFIB) for the State of Utah.

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 veteranscorp.org REPORT	<p><i>"Where Veteran Entrepreneurs Partner for Success!"</i></p> <p>NOVEMBER 2007</p>
<p>SERVICE-DISABLED VETERAN CELEBRATES GRAND OPENING</p> <p> On November 13, 2007, Joe Santiago, a service-disabled Veteran, and his wife Stacy celebrated the Grand Opening of their Nestle Toll House Cafe by Chip franchise in Fredericksburg, VA.</p> <p>In March of 2003, Joe was on a surveillance mission near the Kuwait-Iraq border when he fell twenty feet and suffered a direct blow to the head. At the time, he thought the injury was minor; however, persistent numbness in his arm, tunnel vision, and headaches eventually forces him to seek medical attention.</p> <p>Finally, in 2005, Joe was diagnosed with a traumatic brain injury, along with Post Traumatic Stress Disorder. He began receiving the care he needed, but knew that even with proper treatment, his symptoms would persist. He had memory loss and difficulty with household tasks. He became emotional and was in constant pain. He knew he would never be able to hold down a nine-to-five job.</p> <p>The Santiagos decided to start a business that would accommodate Joe's frequent doctors appointments. They began investigating small business opportunities and decided to pursue a Nestle Toll House franchise. They applied for a loan and, in May 2006, they were approved. Things were looking up.</p> <p>But a year later, Stacy had almost reached her breaking point. The loan still hadn't closed, Joe was back in the hospital for a new set of surgeries, and the bank was saying they had lost the paperwork. Looking for a lifeline, Stacy was put in touch with Jim Mingoy, President of the National Economic Opportunity Fund and operator of TVC's Access to Capital program.</p> <p>When Jim heard Stacy's story, he knew the Santiagos needed someone fighting on their side. They had a solid business plan and good credit, and as far as they knew, they had done everything right. In July, Jim began negotiating with a loan officer, and by August the loan was closed and funded.</p> <p>On November 13, TVC joined Stacy and Joe for the grand opening of their Cafe by Chip franchise. It was an accomplishment that seemed impossible a few years ago. Joe and Stacy will never forget their frustration over the challenges they faced, but with the help of TVC and Jim Mingoy, they are looking forward to a brighter future.</p> <p>If you would like to visit the Cafe, it is located at Celebration Station, 570 Celebrate Virginia Parkway, #105, Fredericksburg, VA 22406.</p>	<p>BUILD YOUR BUSINESS ONLINE THROUGH TVC</p> <p>TVC's website now features 26 interactive online business workshops designed to give you the know-how to build a successful business. Workshops focus on establishing your company's mission and vision, preparing a business plan, identifying a target market and more! Workshops are designed by Virtual Advisor, a leading developer of e-learning content and interactive web-based design. TVC's workshops are available to members only, but membership is free so sign up today! Once you have logged in to the site as a member, click on Programs & Services, scroll down to e-Tools, and click on Interactive Business Workshops to get started today.</p> <p>PARTNERING WITH HWVA</p> <p> TVC is pleased to announce the formation of a new partnership with the Hispanic War Veterans of America (HWVA).</p> <p>HWVA is a 501(c)(19) nonprofit organization that serves as the voice that speaks for Hispanic and other Veterans and ensures that Hispanic Veterans and their families have full access to Veteran benefits as well as business and education opportunities.</p> <p>This partnership will allow TVC and HWVA to jointly create opportunities for HWVA members and their families to take advantage of TVC education, access to capital, surety bonding, and other programs to start or grow a business.</p> <p>To view the complete press release, click here.</p>
<p>TVC WELCOMES NEW CHAIRMAN OF THE BOARD</p> <p> TVC is pleased to announce the election of Mr. Jeffrey W. Gault to the position of Chairman of the Board of Directors. Mr. Gault was elected by unanimous consensus of the Board on August 27, 2007. He replaces Mr. George Bulvilas who served as Board Chairman from March 2006 until the election in August.</p> <p>Mr. Gault was appointed to TVC's Board of Directors on September 22, 2006, by the President of the United States. In addition to serving as TVC's Chairman, Mr. Gault is currently the Director of Potomac Operations for the Boeing Company Advanced Systems Organization and is involved in security and defense-related business areas. A retired United States Army Officer, he is an Operation Desert Shield/Desert Storm Veteran and served two Middle East deployments. He is a graduate of the United States Military Academy, and he holds advanced degrees from the University of Oklahoma, Middlebury College, and the Naval War College.</p> <p>Elections were also held for Vice Chairman of the Board on August 27, 2007. Mr. Gordan Brenner was elected to the position of Vice Chairman. Remaining in the position of Treasurer is Mr. Greg Rothman.</p>	

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 veteranscorp.org REPORT	<p><i>"Where Veteran Entrepreneurs Partner for Success!"</i></p> <p>Special Issue</p>
<p>BOOST YOUR BUSINESS WITH THE VETERANS CORPORATION "Where Veteran Entrepreneurs Partner for Success!"</p> <p>Whether you are looking to ramp up your business skills, acquire a business loan, or speak one-on-one with counselors about your business, The Veterans Corporation (TVC) has the tools and resources your business needs to succeed. With programs and services designed specifically for Veterans, Service-Disabled Veterans, and members of the Guard and reserve, you will find information tailored specifically to your needs, including preparing your business for deployment and learning how to apply for set-aside contracts.</p> <p>The Veterans Corporation is an independent 501(c)(3) non-profit organization that was created by Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1989. This Act recognized that America "has done too little to assist Veterans...in playing a greater role in the economy of the United States". The Corporation is charged with creating and enhancing entrepreneurial business opportunities for Veterans, including Service-Disabled Veterans, and members of the National Guard and reserve. Because TVC is a non-profit organization, membership to the Corporation is FREE and provides you access to all of the tools and resources you need to be successful in business, including:</p> <ul style="list-style-type: none"> - Access to Capital - Access to Bonding - Entrepreneurial Education - Business Mentoring - Online Business Forums - Quarterly Veteran Business Newsletters - Access to Business Products and Services <p>To learn more about The Veterans Corporation, or to join the Corporation and start boosting your business today, visit www.veteranscorp.org, the place where Veteran entrepreneurs partner for success!</p>	<p>VETERANS ON SCREEN Music Within Hits Theaters</p> <p>TVC is excited to announce the opening of <i>Music Within</i> on October 26, 2007. This movie follows the true story of Richard Pimentel, a disabled Vietnam Veteran and the author of the <i>Americans with Disabilities Act</i>. Starring Ron Livingston, Melissa George, Michael Sheen, and Yul Vazquez, <i>Music Within</i> is a searing drama about love, friendship and self-realization.</p> <p>TVC and other key Veterans groups agree that this movie can tremendously influence the national mind-set on "keeping the promise" to America's Veterans, and specifically, to the 2 million disabled Veterans. In addition to effectively telling the story of the mistreatment of disabled Veterans in times past, a fabulous film has been created. CNN's Larry King raved that <i>Music Within</i> is "one of those films that comes along once in a blue moon".</p>
<p>D-VETS Disabled Veteran Entrepreneurship Training Solutions</p> <p>D-VETS PROGRAM GOES NATIONWIDE Scholarships Available for Disabled Veterans Entrepreneurship Training Solutions</p> <p>The Veterans Corporation is proud to present D-VETS (Disabled Veterans Entrepreneurship Training Solutions), a comprehensive FREE program designed to help disabled Veterans in business ownership, from start-up to expansion. Participants in this program will receive free access to online business education, one-on-one business mentoring, access to business capital, and access to surety bonding. Participants must be Veterans of the United States Armed Forces or members of the National Guard or reserve forces, and must have a permanent disability.</p> <p>This program is being offered by the generous support of the Henry H. Kessler Foundation and the NEC Foundation of America. Through these two foundations, 500 scholarships are available nationwide to disabled Veterans seeking to participate in this program. This program is already underway, and remaining space is limited. We encourage you to sign up early to take advantage of these resources being offered for a limited time!</p> <p>For additional information about D-VETS, please contact The Veterans Corporation toll-free at 866-283-8267. To register today and start taking advantage of the resources available through this exciting program, please visit www.veteranscorp.org/dvets and fill out the online registration form. TVC is committed to giving disabled Veterans the skills and preparation they need to succeed, and we encourage you to seize that opportunity through D-VETS!</p>	<p><i>Music Within</i> opens in these cities on October 26: New York, Los Angeles, Chicago, San Francisco, Dallas, Boise, Washington D.C., Minneapolis, and Boston. On November 9, the movie will expand into the following cities: Philadelphia, Houston, Seattle, Miami, St. Louis, San Diego, Portland, Rochester, Phoenix, Toronto, Montreal, and Vancouver.</p> <p>We encourage you to support this movie, and to spread the news about this important project. Visit <i>Music Within</i> online for more information. We look forward to seeing you and other Veterans at the movies this fall!</p>
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APPENDIX F



TVC REPORTS

SEPTEMBER 17, 2007

IRAQ VETERAN SERVING UP BUSINESS IN NEW ORLEANS

IN THIS ISSUE:

IRAQ VETERAN SERVING UP BUSINESS IN NEW ORLEANS

STAKEHOLDER REPORT:

- [CONTRACT TEAMING PROJECT](#)
- [SURETY BONDING PROGRAM](#)
- [TVC DEVELOPMENT GRANTS](#)

On September 28, 2006, we invite you to *Eat. Drink. Tango.* at Mayas Restaurant in New Orleans in celebration of the restaurant's grand opening. This restaurant, which will feature bold Latin American cuisine, live music, and dancing, is no ordinary restaurant; it is the brainchild of LT. Trinity Cazzola of the Army National Guard who, just three months ago, was on active duty in Iraq coordinating soldiers and conducting missions as a platoon leader. Throughout his leadership in Iraq, Cazzola had a very different mission in mind for when he returned home: to build a business that would contribute to the economic recovery and rebirth in New Orleans. To achieve his goal, Cazzola spent all of his spare time in Iraq writing a business plan, learning about restaurant ownership, and working with The Veterans Corporation who helped him build a restaurant from halfway around the world. Through TVC's Access to Capital Program, Cazzola was able to secure the loan he needed to turn his business dream into a reality, and today Cazzola is planning his grand opening at 2027 Magazine Street in New Orleans. The determination he has shown throughout the planning process, coupled with his dedication to creating a business that will be part of something larger -- the rebuilding of New Orleans -- is a perfect example of the role America's Veterans can play in the enterprise economy. TVC is proud to be a supporter of Mayas and other Veteran-owned businesses in need of resources and assistance, and we hope you will take the time to tango next time you are in New Orleans.

STAKEHOLDER REPORT

As part of the growing need for stewardship and transparency in the application of funds and resources to the entrepreneurial needs of America's Veterans, TVC Reports will feature periodic updates highlighting specific TVC programs currently underway. This issue's focus is on a Contract Teaming Project, TVC's Surety Bonding Program, and TVC's Development Grants Program.

CONTRACT TEAMING PROJECT

TVC has provided a grant to Vetbiznetwork.net to retain an online tool for Veterans. Since awarding the grant in March 2007, the network has aggressively pursued the development of Veteran and service-disabled Veteran teams. The network has created a teaming cooperative and provides SDVDB set-aside announcements. In addition, Vetbiznetwork.net maintains a forum for approximately 2,000 Veterans and service-disabled Veterans who have shared over 55,000 emails related to contracting opportunities since TVC's grant award. TVC looks forward to working with Vetbiznetwork.net in the future and continuing this opportunity for Veterans.

TVC SURETY BONDING PROGRAM

TVC's bonding program is the premier program for emerging Veteran-owned businesses seeking bonding. This program is possible through TVC's partnership with the Surety and Fidelity Association of America (SFAA), Tom Egan, past Chairman of the National Association of Procurement Technical Assistance Centers, and the Department of Defense have recognized TVC's program as the answer to Veterans' problems getting bonded. The program is currently in full swing, holding seminars at local SBDC and PTAC events, providing direct referrals, and conducting the first of many eight-week contracting classes. TVC is already seeing Veterans successfully exit the program with bonding in place.

TVC DEVELOPMENT GRANTS

The Veterans Corporation (TVC) is seeking applications for the first year of its Veteran Entrepreneurship Support grant initiative. This initiative will support educational projects and organizations that address the entrepreneurial needs of Veterans, including Service-Disabled Veterans and members of the Guard and reserve. Grant proposals may be written for programs or projects that fit into one or more of the program categories, which include education and outreach. Complete information about the granting program is available online at www.veteranscorp.org/developmentgrants. If you are aware of consultants within your region who may be eligible for a TVC grant, we encourage you to forward this announcement.

APPENDIX G

Advisory Councils Charter Appendix G

The formation of Advisory Councils was approved by TVC's Board of Directors at the October 30, 2005 Board Meeting. Each of these councils is being constituted to inform, recommend and assist the Board on issues related to the individual council's area of expertise. Their charter is to support the on-going expansion of TVC's strategic programmatic for Veterans wishing to start or grow their businesses.

These six Councils are:

- **Veteran Service Organization (VSO) Advisory Council**
 - This council provides insight and guidance from the nation's veteran service organizations providing TVC with insight from the "front line" of veteran service groups as to concerns, needs and ideas of veteran entrepreneurs.
- **Non Government Organization (NGO) Advisory Council**
 - This council provides insight, guidance and advice on teaming opportunities as TVC expands program offerings. Members of this council are non-government organizations (mainly not-for-profits) with whom TVC teams to expand Veteran business opportunities.
- **Community Outreach Advisory Council**
 - The focus will be on "Best Practices" and to disseminate to the four centers programs and practices that expand and expedite support locally. Over time this council will work closely with the chairperson from the National Governors Council to implement business and growth initiatives in support of the local Veteran community.
- **Education Advisory Council**
 - This council provides insight and guidance on the three tiers of educational offerings and opportunities of TVC. Their work includes curriculum (face-to-face and on-line), potential education delivery partners and new/alternate delivery technologies. The chairperson of this Council will conduct monthly meetings/telcons to ascertain performance/status of programs.
- **Corporate Advisory Council**
 - This council provides insight, guidance and leadership on issues of importance to government contractors, privately and publicly owned companies and individuals. Focus will revolve around Veteran owned companies, their skills, training, employment, teaming and subcontracting opportunities.
- **Governor's & Mayors Advisory Council**
 - This council is ideally comprised of governors and mayors from the top 10 states, based on Veteran populations and revenue generated by Veteran-owned businesses. It also includes the five states led by governors who are also Veterans. The focus of this

council is to ascertain the scope and delivery of service required to support Veteran entrepreneurship. Working with the National Governors Association's "Center for Best Practices," this work can be distributed nationally.

After proper vetting, presentation and approval by TVC's Board of Directors, each of the Councils may be asked to act on specific issues or programs. Such work would be carried out in cooperation with TVC's President/CEO. The process for vetting, presentation and approval is as follows.

Vetting

Council agendas may be created within the group or passed to the group for discussion/implementation by TVC's Board of Directors through TVC's President and Chief Executive Officer. Through its process of issues management the Council will explore each opportunity. Council members' past experience together with group discussions and research will provide TVC's Board proper discovery and complete vetting of each issue.

Presentation

After an issue has been vetted the chairperson of the respective Council will be responsible to work with the TVC's President and Chief Executive Officer in the creation of a brief presentation on the issue. TVC's President and Chief Executive Officer will determine the need for the Council chairperson to jointly present or elect to move an action item forward to the Board separately as part of the quarterly Board meeting agenda. Scheduling presentations will be coordinated between the President/CEO and the Chairman of the Board of Directors. Although the formats of presentations will vary based on the issue at hand, each topic should have a brief executive summary as a part of the total package presented. Scheduling of a presentation to the Board must be provided to the President/CEO and Chairman of the Board at least two weeks prior to the next scheduled regular meeting of the Board of Directors.

Approval Cycle

TVC's President and Chief Executive Officer and/or the Council chairperson will present to the Board of Directors issues that have been fully vetted within the Council at a quarterly meeting of TVC's Board of Directors. This presentation will be made during the council report portion of the meeting agenda. Any actions regarding approval without the need for adjustments in either the operational or capital budgets may be made at that time or under new business as directed by the Chairman of the Board. Should an action or issue require funding from either adjusting the operational or capital budget TVC's President and Chief Executive Officer and Council Chairman are strongly urged to review the issue with the Business Development Committee of TVC prior to presentation. This would provide the Business Development Committee opportunity to offer options in scope of work or to make recommendations for insertion into TVC's financial interim reviews (IRs). This will assist in moving as many issues forward as are reasonably fundable within the annual budget. Councils are encouraged to consider

outside funding sources/opportunities that will permit more Veteran programs to be launched in these transition funding years.

Council Reporting Structure

TVC's Board of Directors shall retain all of its current authority roles and responsibilities. Councils' respective charter shall remain as one of providing support and recommendations to the Board for action through TVC's President and Chief Executive Officer.

Council Member Selection Process

With input, direction and ratification of the TVC Board, TVC's President and Chief Executive Officer will solicit public, private, educational and education industry leadership to assist him/her in the selection of Chairman and Co-Chairman roles. Once Chair and Co-Chair are selected TVC's President and Chief Executive Officer will work with that team to populate the council. Selections will be from the appropriate industry or sector that best represents the council objectives. Once completed TVC's President and Chief Executive Officer will report to the Chairman of the Board the status of a council population. TVC's Board of Directors will then review and approve that Council's population.

Council Terms of Service

Continuity is essential in council leadership and service. Councils will serve either a two or three year term. The option for 2 or 3 years is to allow for flexibility in public and private sector environments. TVC's President and Chief Executive Officer and the council chairs will set the term appropriate for that council. To initiate council service and provide continuity council members will have staggered terms of service; one year, two years and three years. Details for each council term will be presented by TVC's President and Chief Executive Officer to the Board of Directors.

Council Chairs will work to ensure the members of the council hold the highest standards in the execution of their duties as council members.

APPENDIX H

Appendix H

First Place, Ages 16-18

BRITTANY ANNE CLAIR, Pennsylvania

Veteran Entrepreneur of the Year: JAMES A. CLAIR

My dad, James A. Clair, is a former United States Marine. He served the United States from 1983-1987 on active duty. After 18 years of working a civilian job and raising a family, he decided to join the Army National Guard at the age of 40. He rejoined the armed forces last year, because he felt that with his education and experience, he could impact the Guard in a positive way.

My dad is a very committed person and will do whatever he can to help people and his country. From being a former Marine and now being in the Army National Guard, my dad has developed many skills and has been involved in some intense training. The skills and training have helped him to better himself for his business. Along with the National Guard my dad also owns his own business. He is the owner and instructor of Ultimate Defensive Driving School. He is dedicated to helping the youth drive defensively to protect them and their families behind the wheel. My dad uses the many skills he has learned from the Marines and the National Guard everyday when dealing with his students.

He also uses the people skills that he learned while on active duty and in the Guard to enhance the Cranberry Township Community Service Project. This project was developed and funded by him to help both young and old with their community service hours. Even though they got in trouble with the law, my dad wanted to see that they got a second chance. They were given this second chance so that they could better their lives and prove to themselves and the community that they are trying to get their lives back on track. He was there to guide them in the right direction.

While in the Marines and National Guard he has been taught to treat people with dignity and respect, which he does everyday whether it is at work or in everyday situations. My dad also motivates people. New drivers are apprehensive the first time they set out to drive, and my dad helps them to overcome their fears and their parents' fears by reassuring them that he will teach them all the safe ways of driving. As with any job there needs to be self-motivation and my dad certainly has it. It is hard starting up a business because it is a challenge to make it successful, but he is motivated to make it successful. That was a risk he was willing to take in order to make the streets a safer place for all. He gets himself up every day and wants to better the lives of the people in his community and the United States. You will never see a day when my dad wants to quit what he is doing; he loves what he does. He enjoys serving his country and his community.

My dad has done a lot for his community and country. Even at age 40 he is willing to go over to the Middle East and fight for his country. A number of people would think he is crazy for rejoining after 18 years of being inactive, but he did it. He wanted to give back to this country and make it a safer place for all citizens. My dad has always wanted to better himself and others, that is why I think he has done all of these things in his life: joining the Marines, joining the National Guard and starting up his own business.

First Place, Ages 12-15
CARLEEN SIERRA NIEMAN, Indiana

Veteran Entrepreneur of the Year: TIMOTHY CARL NIEMAN

My name is Carleen Sierra Nieman, and I would like to nominate my dad, Timothy Carl Nieman, as Veteran Entrepreneur of the Year. He is a disabled American Veteran and owns his own business called Patriot Trailers & Accessories, LLC.

My dad was in the U.S. Army for three years as an air assault, mountain infantry soldier with the 25th Infantry Division, from 1989 to 1992. Though he was in the Army during Desert Storm, he was alerted to go, but the alert was cancelled, so he didn't go over there. While he was in the Army, he learned important things like values, responsibility, respect, honor and dedication. He enjoyed his training very much and earned some medals and awards while he was there.

The skills my dad got while in the Army that make him a better entrepreneur are personal skills that help him treat other people in a way that they enjoy working for him. He is a good leader and people want to work for him. His company makes trailers and things for people to use to take things anyplace. My dad even has an invention with a patent on it, and is working on getting a patent on something else and said he has a couple more things he's designing that will get a patent too.

My dad contributes to the family a lot. He pays the bills, likes to spend time with the family, teaches me right from wrong, encourages me to do my best even when it's tough and helps me when I struggle. I was born in 1994, two years after he got out of the Army and he told me that I am the reason he went back to school. He said he wanted to provide me with the best life possible and the only way he could do that, is if he made himself better, so he went to school and became a welding engineer. While he was going to school, he dreamed of having his own business some day. When he finished school, he worked to get experience and then recently began starting his own business.

In addition to his work and family, my dad helps the community and shows his patriotism at the same time by being a 2nd Lieutenant in the Indiana Guard Reserve. The IGR is a volunteer military organization that supports the National Guard and does community service and trains in preparation for a state emergency if needed. Since the IGR is a volunteer group and everyone has to pay for everything themselves, like uniforms and stuff, my dad will use his company to sponsor new recruits with uniforms and activity expenses when someone needs help. He will also encourage his workers to consider joining the IGR, and if they participate regularly, he will pay them if they miss work for IGR missions and exercises during the week.

He also shows appreciation to Veteran employees for their service by giving them the day off with pay on Veterans Day, and has recognized fellow Veterans by submitting their names to receive a Freedom Team Salute Certificate of Appreciation. I am so proud of my dad, and I like to wear his old dog tags and Army clothes. I even have some pajamas and t-shirts that look like Army. I think the uniforms are really cool. I like looking at my dad's old pictures, his awards and other Army stuff.

When I finish school, I want to join the Army like my dad. I'm not sure what else I want to do yet, but my dad tries to give me ideas of what he thinks I'd be good at, like graphic design. If I can

have my own business some day, I hope I can be like my dad and have people want to work for me too.

I think my dad should be chosen as the 1st Veteran Entrepreneur of the Year because he served his country with pride and honor, and continues to show his patriotism every day, while serving his family and the community while operating his business.

APPENDIX I

Strategic Marketing Collaboration
STATUS REPORT

Report Date: Oct. 1, 2007

Client
Veterans Corp

Small Business Resource Networks (Virtual & Physical)

BUZGate
BUSINESS UTILITY ZONE GATEWAY
BUSINESS UTILITY ZONE GATEWAY**America's**
PUBLIC BUSINESS
ASSISTANCE NETWORK**Campaign**

Launch Date:	1-Mar-06	Term:		Campaign Scope:	National
Renewal:				Industry Expert Positioning:	Veteran's In Biz FAQs

Building buzz for BUZGate Sponsors**Direct Marketing Impact**

Date	Networking Activity
Sep-07	BUZGate promotes sponsor content and assistance network at National ASBDC Conference in Denver, CO
Sep-07	Toestmasters International added to BUZGate promoting professional development of SMB owners and managers
Sep-07	Over 160 individuals utilized BUZGate's mentoring platform in September 2007 to develop and grow their business ventures
Sep-07	40,000,000 users per month exposed to BUZGate content via new Wall Street Journal resource portal for small business
Sep-07	IBM promotes awareness of BUZGate SMB resource network in new international portal serving women and minority ventures
Sep-07	New England Diversity Conference invites BUZGate to promote awareness of SMB resources and sponsored solutions
Sep-07	Over 40 high school students participate in BUZGate eMentoring Program to support career and entrepreneurial skill development

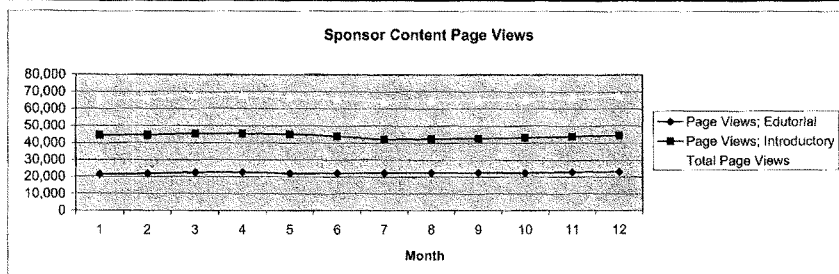
Cooperative Marketing Impact

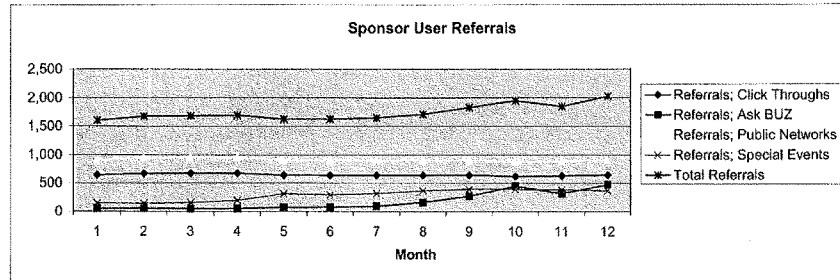
Date	Networking Activity
Sep-07	Chamber of Commerce links to BUZGate driving additional BUZGate business subscriptions
Sep-07	New England Community Site links to BUZGate to attract new businesses by demonstrating available support programs
Sep-07	Northeast Venture Capital Firm links to BUZGate.org to help clients further develop ventures using available assistance
Sep-07	Business Loan Express (BLX) helps individuals access business development assistance by linking to BUZGate.org
Sep-07	More SMBs discovering performance management solutions by accessing SuccessFactors editorial in BUZGate
Sep-07	Cardservice International and First Data Services join BUZGate to educate SMBs regarding merchant service solutions
Sep-07	Proposal Kit reaches thousands of SMBs with sales proposal template and software solutions through BUZGate Editorial

BUZGate Editorial Campaign Impact

Editorial Campaign Scope	# of pages	Outlinks	Access points	Summary SMB Positioning
Biz Solution Network	50	600	Primary Menu Nav	Veterans In Biz FAQs
Biz-2-Biz Partner Network	200	2,200	Primary Menu Nav	Veterans In Business
B2B Showcase	50	0	Secondary Menu Nav(s)	Veterans In Biz FAQs
Business Tools Showcase	100	100	Primary Menu Nav	(Specify type of business tool)
Logo w/ Web Link (Footers)	60,000	0	All Page Footers	Veterans In Business
Glossary and Terminology	0	0	Biz Solution	(e.g., glossary, benefit/feature matrix, etc.)
Virtual Incubator Network	250	2,800	Co-branded communities	Veterans In Biz FAQs
Totals	60,650	5,700		

Promotional Placement:	Location	Promotional Detail
As a "Valued Sponsor"	State Home Page(s)	
As a "Small Bus. Value"	State Home Page(s)	

Sponsor Editorial Campaign Performance**Performance Mapping by Page View and User Referrals**



Performance Data by Time Period														
Prospects Reached		Year To Date			Last Three Months									
Impact		Total			Jul-07		Aug-07		Sep-07		Total 3 Mos.		Avg/Month	
Page Views; Editorial		268,270			22,446		22,942		23,163		68,551		22,850	
Page Views; Introductory		528,723			43,188		43,934		44,646		131,768		43,923	
Total Page Views		796,993			65,634		66,876		67,809		200,319		66,773	
Referrals; Click Throughs		7,784			621		632		644		1,897		632	
Referrals; Ask BUZ		2,188			453		326		477		1,256		419	
Referrals; Public Networks		10,975			876		891		906		2,673		891	
Total Referrals		20,947			1,950		1,849		2,029		5,828		1,943	
Publicity Campaigns		Total			Jul-07		Aug-07		Sep-07		Total 3 Mos.		Avg/Month	
BUZ Bulletin Placement		12			1		1		1		3		1	
Special Events		43			4		3		3		10		3	
Brochure Placement		0			0		0		0		0		0	
Other		0			0		0		0		0		0	
Prospects Reached		Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Total
Page Views; Editorial		21,519	21,842	22,466	22,702	21,903	22,181	22,239	22,393	22,474	22,446	22,942	23,163	268,270
Page Views; Introductory		44,596	44,644	45,568	45,577	45,158	43,956	42,147	42,627	42,682	43,188	43,934	44,646	528,723
Total Page Views		66,115	66,486	68,034	68,279	67,061	66,137	64,386	65,020	65,156	65,634	66,876	67,809	796,993
Special Events - Participants		150	145	160	200	320	300	325	375	400	400	390	375	3,540
Referrals; Click Throughs		844	672	677	679	644	641	643	642	645	621	632	644	7,784
Referrals; Ask BUZ		55	58	53	60	78	62	102	166	278	453	326	477	2,188
Total Direct Referrals		899	730	730	739	722	723	745	808	923	1,074	958	1,121	9,972
Referrals; Public Networks		905	948	955	957	908	904	907	905	909	876	891	906	10,975
Total Referrals		1,607	1,678	1,685	1,696	1,630	1,627	1,652	1,713	1,832	1,950	1,849	2,029	20,947
Publicity Campaigns		Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Total
BUZ Bulletin Placement		1	1	1	1	1	1	1	1	1	1	1	1	12
Special Events		4	4	4	3	3	3	4	4	4	4	3	3	43
Brochure Placement														0
Other														0
BUZGate Professional & Strategic SMB Marketing Services														
Date	Value to Sponsor													
10/2/2007	Initiated prior months Editorial Campaign Performance Analysis and generated report showing SMB market impact achieved													
9/26/2007	Promoted BUZGate sponsored content to attendees of annual Cultural Diversity Awareness Conference													
9/25/2007	Promoted further awareness and access to Sponsor content via BUZGate content at SMEToolKit.org, an IBM/IFC SMB portal													
9/12/2007	Secured additional reciprocal links to BUZGate.org from public and private sector organizations to build awareness and traffic													
9/5/2007	Posted Women In Business radio segment on BUZGate as venue promoting awareness, access & use of BUZGate content													
9/4/2007	Initiated prior months Editorial Campaign Performance Analysis and generated report showing SMB market impact achieved													
8/31/2007	Launched new source for reciprocal linking to Sponsor Content from Wall Street Journal Small Business to BUZGate content													
8/28/2007	Promoted awareness of Sponsor content in nationally syndicated radio program interview targeting Women in Business													
8/31/2007	Expanded awareness and access to Sponsor content via editorial in Inc. Magazine, September 2007 issue													
8/15/2007	Increased navigation to Sponsor content via newly launched eMentoring program in all 50 BUZGate SMB resource networks													
8/2/2007	Compiled prior month Sponsor campaign performance statistics and referral data and generated client report													
7/16/2007	Promoted awareness of Sponsor content via news in Forbes, Morningstar, Yahoo! Finance, MarketWatch and America Online													

APPENDIX J

NATIONAL VETERANS BUSINESS DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR YEAR ENDED SEPTEMBER 2007
Appendix J

	September 30, 2007			
	Program Activities	Fund Raising	General and Administrative	Total
Expenses and Losses:				
Salaries	\$ 283,392	\$ 124,932	\$ 194,586	\$ 602,910
Fringe Benefits and Payroll Taxes	64,848	28,588	44,527	137,963
Bank Fees	10,617	-	2,728	13,345
Board Expenses	-	-	34,127	34,127
Accounting, Audit and Legal	-	-	25,380	25,380
Consultants/Subcontractors	608,373	-	75,000	683,373
Equipment Repairs and Maintenance	-	-	4,599	4,599
Equipment Leasing	-	-	5,549	5,549
Insurance	-	-	20,256	20,256
Miscellaneous	-	-	1,906	1,906
Office Supplies	-	-	11,410	11,410
Postage and Delivery	-	-	7,882	7,882
Printing and Duplicating	1,175	-	6,702	7,877
Public Relations	2,468	-	-	2,468
Rent and Utilities	-	-	62,911	62,911
Subscriptions	7,665	72	1,509	9,246
OMB Recission Fees	-	-	19,158	19,158
Telephone and Fax	-	-	16,401	16,401
Transportation and Travel	41,548	7,925	19,792	69,265
Veterans Program Services	26,581	-	-	26,581
Grants - Veterans Outreach	20,000	-	-	20,000
Meeting Expenses	519,137	-	-	519,137
Website	-	-	36,000	36,000
Recruitment Expense	-	-	-	-
Bad Debt Expense	-	-	-	-
Depreciation	-	-	7,065	7,065
Amortization	-	-	22,762	22,762
Contributed Services	-	-	111,135	111,135
Contributed Facilities	-	-	-	-
Subtotal	\$ 1,585,804	\$ 161,517	\$ 731,385	\$ 2,478,706
Allocation of General and Administrative	177,097	78,977	(256,074)	-
Total Expenses	\$ 1,762,901	\$ 240,494	\$ 475,311	\$ 2,478,706

APPENDIX K

Appendix K

BOARD OF DIRECTORS

October 1, 2006 – September 30, 2007

Honorable Jeffrey W. Gault (elected August 2007)
Chairman
Virginia

Honorable Gordon Brenner (elected August 2007)
Vice Chairman
Illinois

Honorable George J. Butvilas (served as Board Chair until August 2007)
Michigan

Honorable Donald G. Christensen
Utah

Honorable Raymond Jardine, Jr.
Hawaii

Honorable Samuel Metters
Texas

Honorable Richard A. Ochsner
Virginia

Honorable W. Gregory Rothman
Pennsylvania

Honorable Jo Ann Krukar Webb (resigned July 10, 2007)
Virginia

Ex-Officio

Honorable Hector V. Barreto/ Honorable Stephen Preston
Administrator, Small Business Administration

Honorable R. James Nicholson
Secretary of Veterans Affairs

Honorable Donald H. Rumsfeld/Honorable Robert Gates
Secretary of Defense

Walter G. Blackwell
President & CEO, The Veterans Corporation

APPENDIX I

Appendix L

STAFF LIST
October 1, 2006 – September 30, 2007

Walter G. Blackwell
President & Chief Executive Officer

John H. Madigan
Vice President Government Relations & Administration

Susan U. Capozzi
Vice President Membership Programs

Donna Brown
Director of Finance & Administration

Erin Jones
Director of Development

Trevor S. Summerfield
Government Relations & Outreach Manager

Patrick Bowers
Education Program Manager

Susan H. McLean
Administrative Assistant

